

# Discharging Federal Student Loans Due To Disability

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## Intro

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- ❖ This has general information only. If you have a specific problem, get advice from a lawyer. If you are low-income, check the end for how to contact a lawyer.
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Use this if your loans are:

- FFEL
- Direct
- Perkins
- TEACH grants
- Plus (disability must be the parent's, not the student's)

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- ❖ Do not use this for private student loans. Talk to a lawyer. Some private lenders may offer programs like the one described here.
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## **I took out one of the student loans listed above. I have a disability. Can I get a discharge of my student loan?**

**Maybe**, if the Department of Education agrees you have a disability. You will qualify if you cannot engage in any substantial gainful activity due to a physical or mental impairment that is one of these:

- Expected to last for five years.
- Has lasted for at least that long.
- Can be expected to result in death.

## **I am a disabled veteran. Am I eligible for a discharge?**

Yes, if you get VA benefits for a service-connected disability and can get VA documentation of one of these:

- You have a service-connected disability or that is/are 100% disabling.
- You are totally disabled based on an individual unemployability determination.

If you have VA documentation, you do not need any other medical documentation.

## **How do I apply for a discharge?**

You must fill out a Discharge Application. A blank copy of is at the end. You can also apply online at [secure.disabilitydischarge.com/registration](https://secure.disabilitydischarge.com/registration).

You fill out sections 1 and 3. Your doctor fills out section 4.

You sign and date at the bottom of section 3. The doctor signs at the bottom of page 2, prints their name, and puts their medical license number.

**The most important part of the application is the doctor's statement.** It must fully explain both:

- Your condition.
- Why it leaves you unable to work.

**Examples:**

- Your doctor writes that you are unable to stand to work at all and cannot sit for extended periods.
- Your doctor writes that your mental disability keeps you from being able to show up regularly and routinely for work.

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❖ You must turn your application in within 90 days of your doctor signing off on it.

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**I get SSI or SSD. Am I eligible for a discharge of my loan?**

You may be able to prove your disability if you get SSDI or SSI benefits. You must give the Department of Education a copy of a notice of award of these benefits stating that your next scheduled disability review will be within five to seven years from the date of your most recent SSA disability determination. If you can do this, you do not need documentation from a doctor.

**Where do I send the application?**

To the U.S. Department of Education:

U.S. Dept. of Education  
 TPD Servicing  
 P.O. Box 87130  
 Lincoln NE 68501-7130

If you need help filling it out or have questions, contact [Nelnet](#). Nelnet is the Department of Education's representative regarding your discharge request. You can reach them at

- 1-888-303-7818
- [disabilityinformation@nelnet.net](mailto:disabilityinformation@nelnet.net)
- <http://www.disabilitydischarge.com/>

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❖ Mail your application return receipt requested.

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**What happens next?**

The loan holder or Nelnet might ask your doctor for more info. Let your doctor know about this possibility beforehand. This packet has forms to give your doctor explaining the process.

If the Department determines that you are eligible for a discharge, it will notify you and your loan holder that it has approved your application.

**They denied my application. Now what?**

The Department goes back to collection activity. Your loan goes back to its former status.

Look over your loan discharge application. Make sure you fully filled it out and put all needed info. You should submit a revised, completed application for the Department's review if you find that any of these is true:

- You did not fully fill out the application.
- You left out important info.
- You have more medical proof.
- Your situation has changed.

If the Department still denies your application after you resubmit it, or you submitted a fully supported and complete application, you can seek judicial review to challenge the Department's decision. Contact a lawyer about whether you should do this.

**The Department determined that I am disabled. Do I get the discharge right away?**

Yes, BUT this may not be the end of things. The Department will send your loan holder a notice that:

- Has the date of your doctor's certification or the date the Department received it
- States that the loan holder must assign your loans to the Department for discharge AND a **three-year monitoring period**

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❖ The loan holder must refund any loan payments you made after the date of your doctor's certification or after the Department got your SSA documentation.

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The monitoring period does **not** apply to veterans getting a discharge based on a determination that you are unemployable due to a service-connected disability.

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❖ The Department may send you a Form 1099-C Cancellation of Debt saying they canceled the student loan debt. If you get this form, talk to an income tax professional. Find out if you owe any tax.

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### Can the Department cancel the discharge?

Yes. During the monitoring period, the Department will cancel the discharge and start collection activity back up on your account at any time within the first three years after granting you the discharge, if any of these is true:

- You work, and earn more than 100% of the poverty limit for a family of two (in 2018, \$16,460).
- You get a new TEACH grant.
- You get a new federal student loan.

- You do not return any of the loan money you got pre-discharge within 120 days of getting the money.
- SSA sends you a notice that you are no longer disabled, or that your disability review will no longer be the five-year or seven-year review period indicated in your most recent SSA notice of award for SSDI or SSI.

The Department must first send you a notice telling you it plans to cancel the discharge. The notice must state all of these:

- Why the Department is canceling the discharge and reinstating your loan.
- How to contact the Department if you believe they made a mistake.
- The date your first payment on the reinstatement of the loan is due.

### What happens if my spouse and I consolidate our loans?

When you consolidate your loans on your own or with a spouse, you give up rights with respect to the loans. **Get legal advice before consolidating.** Find out how the consolidation will affect your rights. You can discharge consolidation loans only if you meet the conditions for discharge for each underlying loan.

The Department may grant a loan discharge for **joint consolidation loans** (you and your spouse consolidate your student loans into one) if you both qualify for a total and permanent disability discharge. If only one of you qualifies, the Department may grant a partial discharge.

Even if the Department discharges the disabled borrower's portion of the consolidation loan, both spouses are jointly and severally liable for the balance of the consolidation loan. If the non-disabled borrower defaults on the

consolidation loan, the lender can go after both spouses.

### **I do not qualify for a student loan discharge. I cannot afford to repay my loans. What can I do?**

Visit [www.studentloanborrowerassistance.org](http://www.studentloanborrowerassistance.org) for more about what you can do, such as:

- other loan discharges (including bankruptcy)
- postponing repayment
- consolidating your loans to try to get a lower monthly payment
- income-based repayment plans

### **Where can I get more information about student loans?**

The National Consumer Law Center's [www.studentloanborrowerassistance.org](http://www.studentloanborrowerassistance.org) has a lot of information.

The Federal Student Aid's website has information about applying for and repaying student loans. Visit them at <http://studentaid.ed.gov>.

More on how to get a discharge of your loan due to disability:  
[www.disabilitydischarge.com/](http://www.disabilitydischarge.com/).

To find out your federal student loan amount:  
[www.nslds.ed.gov](http://www.nslds.ed.gov)

### **What if I need legal help?**

- **Apply online with CLEAR\*Online** - [nwjustice.org/get-legal-help](http://nwjustice.org/get-legal-help) or

- **Call CLEAR at 1-888-201-1014**

CLEAR is Washington's toll-free, centralized intake, advice and referral service for low-income people seeking free legal assistance with civil legal problems.

- **Outside King County:** Call 1-888-201-1014 weekdays 9:15 a.m. - 12:15 p.m.
- **King County:** Call 211 for info and referral to a legal services provider, weekdays 8:00 am – 6:00 pm. You can also call (206) 461-3200, or toll-free 1-877-211-WASH (9274). You can also get info on legal service providers in King County through 211's website, [www.resourcehouse.com/win211/](http://www.resourcehouse.com/win211/).
- **Persons 60 and Over:** Seniors age 60 or over may call CLEAR\*Sr at 1-888-387-7111, regardless of income. Assets limits may apply. Seniors in King County may call 2-1-1.

Deaf, hard of hearing or speech impaired callers can call CLEAR or 211 using the relay service of their choice.

211 and CLEAR will conference in free interpreters when needed.

Free legal education publications, videos, and self-help packets covering many legal issues are available at [WashingtonLawHelp.org](http://WashingtonLawHelp.org).

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This publication provides general information concerning your rights and responsibilities. It is not intended as a substitute for specific legal advice.

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# DISCHARGE APPLICATION: TOTAL AND PERMANENT DISABILITY

OMB No. 1845-0065  
Form Approved  
Exp. Date 09/30/2019

William D. Ford Federal Direct Loan (Direct Loan) Program / Federal Family Education Loan (FFEL) Program / Federal Perkins Loan (Perkins Loan) Program / TEACH Grant Program

TPD-APP

This is an application for a total and permanent disability discharge of your Direct Loan, FFEL, and/or Perkins Loan program loan(s), and/or your Teacher Education Assistance for College and Higher Education (TEACH) Grant Program service obligation.

Throughout this application, the words "we," "us," and "our" refer to the U.S. Department of Education.

Make sure that Section 2, Section 3, and (if required) Section 4 include all requested information. Incomplete or inaccurate information may cause your application to be delayed or rejected.

To qualify for this discharge, you must submit documentation from **one** of the following sources:

1. The U.S. Department of Veterans Affairs (VA) **OR**
2. The Social Security Administration (SSA) **OR**
3. A physician's certification in Section 4 of this form

Except for VA or SSA determinations described below, a disability determination by another federal or state agency does not qualify you for this discharge.

### U.S. Department of Veterans Affairs Documentation

If you are a veteran who has been determined by the VA to be unemployable due to a service-connected disability, you may qualify for discharge by providing documentation from the VA showing that you have received one of the following two types of VA disability determinations:

1. A determination that you have a service-connected disability (or disabilities) that is 100% disabling.
2. A determination that you are totally disabled based on an individual unemployability rating.

You do not qualify for discharge based on a VA disability determination if your disability is not service-connected.

### Social Security Administration Documentation

If you are eligible for Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI), you may qualify for discharge by providing a copy of your notice of award or Benefits Planning Query (BPQY) from the SSA. You only qualify for a discharge based on this documentation if it shows that your next scheduled disability review will be 5 to 7 years or more from the date of your last SSA disability determination.

If you want to submit a BPQY but do not have one, contact the SSA office that issued your award and request form SSA-2459. You may also request a BPQY by calling 1-800-772-1213 or by visiting [www.ssa.gov](http://www.ssa.gov).

If you are granted a discharge based on SSA documentation, we will monitor your status during a 3-year monitoring period. Your discharged loans or TEACH Grant service obligation may be reinstated if you do not meet certain requirements, as explained in Section 6 of this form.

### Physician Certification

You may qualify for discharge by having a physician complete Section 4 of this application. The physician must certify that you are unable to engage in any substantial gainful activity (see definition in Section 5) by reason of a medically determinable physical or mental impairment that:

1. Can be expected to result in death;
2. Has lasted for a continuous period of at least 60 months; or
3. Can be expected to last for a continuous period of at least 60 months.

If you are granted a discharge based on a physician's certification, we will monitor your status during a 3-year monitoring period. Your discharged loans or TEACH Grant service obligation may be reinstated if you do not meet certain requirements, as explained in Section 6 of this form.

### Important Tax Information

Loan amounts discharged due to total and permanent disability may be considered taxable income by the Internal Revenue Service (IRS). Contact the IRS for more information.

### How to Designate Someone to Represent You

If you wish to designate an individual or organization to represent you in matters related to your total and permanent disability discharge request, you must complete the Applicant Representative Designation: Total and Permanent Disability form. You may obtain this form from our Total and Permanent Disability Discharge Servicer (see below for contact information).

### WHERE TO SEND YOUR COMPLETED APPLICATION AND DOCUMENTATION

U.S. Department of Education - TPD Servicing  
P.O. Box 87130  
Lincoln, NE 68501-7130  
Fax: 303-696-5250

### IF YOU NEED HELP COMPLETING THE APPLICATION

Phone: 1-888-303-7818 (TTY: dial 711, then phone no.)  
Email: [disabilityinformation@nelnet.com](mailto:disabilityinformation@nelnet.com)  
Website: [www.disabilitydischarge.com](http://www.disabilitydischarge.com)



TPD-APP

# DISCHARGE APPLICATION: TOTAL AND PERMANENT DISABILITY

OMB No. 1845-0065  
Form Approved  
Exp. Date 09/30/2019

William D. Ford Federal Direct Loan (Direct Loan) Program / Federal Family Education Loan (FFEL) Program / Federal Perkins Loan (Perkins Loan) Program / TEACH Grant Program

**WARNING:** Any person who knowingly makes a false statement or misrepresentation on this form or on any accompanying document is subject to penalties that may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

## SECTION 1: APPLICANT INFORMATION

Please enter or correct the following information.

Check this box if any of your information has changed.

SSN \_\_\_\_\_

Date of Birth \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip Code \_\_\_\_\_

Telephone - Primary \_\_\_\_\_

Telephone - Alternate \_\_\_\_\_

Email (Optional) \_\_\_\_\_

## SECTION 2: TOTAL AND PERMANENT DISABILITY INFORMATION

Carefully read the entire application. Type or print in dark ink. Sign and date the application in Section 3.

1. Are you a veteran who has received a determination from the U.S. Department of Veterans Affairs (VA) that you are **unemployable due to a service-connected disability**?

- Yes - Attach documentation of the VA determination and complete Section 3. You do not need to have a physician complete Section 4.
- No - Continue to Item 2.

2. Are you currently receiving SSDI or SSI benefits, and does your most recent notice of award of Benefits Planning Query (BPOQY) from the SSA state that **your next scheduled disability review will be 5 to 7 years or more from the date of your last SSA disability determination**?

- Yes - Attach a copy of your most recent SSA notice of award or BPOQY and complete Section 3. You do not need to have a physician complete Section 4.
- No - Complete Section 3 and have a physician complete and sign Section 4.

## SECTION 3: APPLICANT'S REQUEST, AUTHORIZATION, UNDERSTANDINGS, AND CERTIFICATIONS

**I request** that the U.S. Department of Education discharge my Direct Loan, FFEL, and/or Perkins Loan program loan(s), and/or my TEACH Grant service obligation.

**I authorize** any physician, hospital, or other institution having records about the disability that is the basis for my request for a discharge to make information from those records available to the U.S. Department of Education.

**I understand** that:

1. If I am applying for a discharge based on a physician's certification in Section 4, **I must submit this application to the U.S. Department of Education within 90 days of the date of my physician's signature in Section 4.**
2. If I am a veteran who answered No to Item 1 in Section 2, and I obtained a certification from a physician in Section 4, that certification is only for purposes of determining my eligibility for a discharge of my loan(s) or TEACH Grant service obligation, and is not for purposes of determining my eligibility for, or the extent of my eligibility for, VA benefits.

**I certify** that: **(1)** I have a total and permanent disability, as defined in Section 5; and **(2)** I have read and understand the information in Sections 6 and 7.

\_\_\_\_\_  
Applicant's or Representative's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Representative Name (if applicable)

**NOTE:** You may designate someone to represent you in matters related to your application. If you wish to designate a representative, you must complete the Applicant Representative Designation: Total and Permanent Disability form.

**SECTION 4: PHYSICIAN'S CERTIFICATION**

Print legibly and initial any changes. Return the form to the applicant or representative.

**Applicant Identification**

1. Provide the below information regarding the individual for whom you are completing this Section:

Name \_\_\_\_\_

Date of Birth \_\_\_\_\_

**Medically Determinable Physical or Mental Impairment**

2. Does the applicant have a medically determinable physical or mental impairment that prevents the applicant from engaging in any substantial gainful activity?

**Substantial gainful activity** means a level of work performed for pay or profit that involves doing significant physical or mental activities or a combination of both. If the applicant is able to engage in any substantial gainful activity in any field of work, you must answer "No".

Yes - Continue to Item 3.

No - **Do not complete this application.**

**Severity/Duration of Physical or Mental Impairment**

3. Is the applicant's impairment expected to result in death?

Yes - Skip to Item 5.

No - Continue to Item 4.

4. Has the applicant's impairment lasted or is it expected to last for a continuous period of at least 60 months?

Yes - Continue to Item 5.

No - **Do not complete this application.**

**Disabling Condition**

Do not use insurance codes or abbreviations.

5. Provide your diagnosis of the applicant's impairment:

\_\_\_\_\_

6. Describe the severity of the applicant's impairment, including, if applicable, the phase of the impairment:

\_\_\_\_\_

**Limitations**

Explain how the condition prevents the applicant from engaging in any substantial gainful activity in any field of work. Attach additional pages if needed. Enter "N/A" if not applicable. You may include additional information you believe is helpful in understanding the applicant's condition, such as medications or procedures used to treat the condition.

7. Limitations on sitting, standing, walking, or lifting:

\_\_\_\_\_

8. Limitations on activities of daily living:

\_\_\_\_\_

9. Residual functionality:

\_\_\_\_\_

10. Social/behavioral limitations (if any):

\_\_\_\_\_

11. Global Assessment Function Score (for psychiatric conditions):

\_\_\_\_\_

**Physician's Certification**

**I certify** that, in my best professional judgment, the applicant identified in Item 1 has a medically determinable physical or mental impairment consistent with my responses in Items 2 through 10.

**I understand** that an applicant who is currently able to engage in any substantial gainful activity in any field of work does not have a total and permanent disability as defined on this form.

I am a doctor of:  medicine  osteopathy/osteopathic medicine

State Where Legally Authorized to Practice\* \_\_\_\_\_

Professional License Number (subject to verification; stamp is acceptable) \_\_\_\_\_

\*If you are licensed to practice in American Samoa, Puerto Rico, the U.S. Virgin Islands, the Northern Mariana Islands, the Marshall Islands, Micronesia, or Palau, attach a copy of your professional license that clearly shows the expiration date.

Physician's Signature (a stamp is not acceptable) \_\_\_\_\_

Date (mm-dd-yyyy) \_\_\_\_\_

Physician Name (First, Middle, Last) \_\_\_\_\_

Email \_\_\_\_\_

Telephone \_\_\_\_\_

Address (a stamp is acceptable) \_\_\_\_\_

Fax \_\_\_\_\_

## SECTION 5: DEFINITIONS

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If you have a **total and permanent disability**, this means that: **(1)** you are unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death, or that has lasted for a continuous period of not less than 60 months, or that can be expected to last for a continuous period of not less than 60 months; **OR (2)** you are a veteran who has been determined by the VA to be unemployable due to a service-connected disability. Except for certain individuals who have received SSA notices of award for SSDI or SSI benefits, or for certain veterans, a disability determination by another federal or state agency does not establish your eligibility for a discharge of your loan(s) and/or TEACH Grant service obligation due to a total and permanent disability.

**Substantial gainful activity** means a level of work performed for pay or profit that involves doing significant physical or mental activities, or a combination of both.

A **discharge of a loan** due to a total and permanent disability cancels your obligation (and, if applicable, an endorser's obligation) to repay the remaining balance on your Direct Loan, FFEL, and/or Perkins Loan program loans. A **discharge of a TEACH Grant service obligation** cancels your obligation to complete the teaching service that you agreed to perform as a condition for receiving a TEACH Grant.

The **post-discharge monitoring period** begins on the date we grant a discharge of your loan(s) or TEACH Grant service obligation and lasts for three years. If you fail to meet certain conditions at any time during or at the end of the post-discharge monitoring period, we will reinstate your obligation to repay your loan(s) or complete your TEACH Grant service. See Section 6 for more information.

**Note to Veterans:** The post-discharge monitoring period does not apply if you are a veteran who receives a discharge based on a determination from the VA that you are unemployable due to a service-connected disability.

The **William D. Ford Federal Direct Loan (Direct Loan) Program** includes Federal Direct Stafford/Ford Loans (Direct Subsidized Loans), Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans), Federal Direct PLUS Loans (Direct PLUS Loans), and Federal Direct Consolidation Loans (Direct Consolidation Loans).

The **Federal Family Education Loan (FFEL) Program** includes Federal Stafford Loans (both subsidized and unsubsidized), Federal Supplemental Loans for Students (SLS), Federal PLUS Loans, and Federal Consolidation Loans.

The **Federal Perkins Loan (Perkins Loan) Program** includes Federal Perkins Loans, National Direct Student Loans (NDSL), and National Defense Student Loans (Defense Loans).

The **Teacher Education Assistance for College and Higher Education (TEACH) Grant Program** requires individuals to complete a teaching service obligation as a condition for receiving a TEACH Grant.

The **holder** of your FFEL Program loan(s) may be a lender, a guaranty agency, or the U.S. Department of Education. The holder of your Perkins Loan Program loan(s) may be a school you attended or the U.S. Department of Education. The holder of your Direct Loan Program loan(s) and/or your TEACH Grant Agreement to Serve (if you received a TEACH Grant) is the U.S. Department of Education. Your loan holder may use a servicer to handle billing and other matters related to your loan. The term "holder" as used on this application means either your loan holder or, if applicable, your loan servicer.

The term "**state**" for purposes of the physician's certification in Section 4 (the physician must be licensed to practice in a state) includes the 50 United States, the District of Columbia, American Samoa, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

A **representative** is a member of your family, your attorney, a law firm or legal aid society, or another individual or organization authorized to act on your behalf in connection with your total and permanent disability discharge application.

## SECTION 6: DISCHARGE PROCESS / ELIGIBILITY REQUIREMENTS / TERMS AND CONDITIONS FOR DISCHARGE

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### *Applying for discharge (all applicants):*

**Submission of discharge application.** After you submit your completed application and documentation to us, we will send you a notice that will:

- Acknowledge receipt of your application;
- Explain the process for our review of your application; and
- Inform you that you are not required to make any payments on your loans while we review your application for discharge.

**Consequences of failure to submit an application.** If you do not submit an application to us within 120 days of notifying us that you intend to submit an application, collection activity will resume on your loans, and your loan holder may capitalize any unpaid interest. This means that the unpaid interest will be added to the principal balance of your loans, and interest will then be charged on the increased loan principal amount. However, if you have a FFEL Program loan and the loan holder is a guaranty agency, or if you have a Federal Perkins Loan, unpaid interest will not be capitalized.



## SECTION 6: DISCHARGE PROCESS / ELIGIBILITY REQUIREMENTS / TERMS AND CONDITIONS FOR DISCHARGE (CTD.)

### *Discharge process for veterans who have been determined by the VA to be unemployable due to a service-connected disability:*

**Our review of your discharge application.** We will review the documentation from the VA to determine if you are totally and permanently disabled as described in item (2) of the definition of “total and permanent disability” in Section 5 of this application.

**Determination of eligibility or ineligibility for discharge.** If we determine that you are totally and permanently disabled, you will be notified that your loans and/or TEACH Grant service obligation has been discharged. The discharge will be reported to nationwide consumer reporting agencies, and any loan payments received on your loan on or after the effective date of the determination by the VA that you are unemployable due to a service-connected disability will be refunded to the person who made the payments.

If we determine that you are **not** totally and permanently disabled, you will be notified of that determination. The notification will include:

- The reason or reasons for the denial of your discharge application;
- An explanation that your loans are due and payable to the loan holder under the terms of the promissory note that you signed and that your loans will return to the status they were in at the time you applied for a total and permanent disability discharge;
- An explanation that your loan holder will notify you of the date you must resume making payments on your loans; and
- An explanation that if you applied for a discharge of a TEACH Grant service obligation, you must comply with all terms and conditions of your TEACH Grant Agreement to Serve.

The notification will also explain your ability to request reconsideration of this determination or to submit a new discharge application:

- You may request that we re-evaluate your discharge application by providing additional documentation from the VA that supports your eligibility for discharge. If you provide this documentation within 12 months of the date of our notification that you are ineligible for discharge, you do not have to submit a new application. After 12 months, a new application is required.
- If the documentation from the VA does not indicate that you are unemployable due to a service-connected disability, you may reapply for discharge under the “Discharge Process For All Other Applicants”. You must submit a new application with the required documentation from the SSA or a physician's certification in Section 4.

### *Discharge process for all other applicants:*

**Our review of your discharge application.** If you submit a discharge application supported by an award of benefits notice from the SSA or an SSA Benefits Planning Query (BPOY), we will review that documentation to determine if it meets the requirements described in Section 2, Item 2 of this form.

If you submit a discharge application supported by a physician's certification in Section 4 of this application, we will review the physician's certification and any accompanying documentation to determine if you are totally and permanently disabled as described in item (1) of the definition of “total and permanent disability” in Section 5 of this application. We may also contact your physician for additional information, or may arrange for an additional review of your condition by an independent physician at our expense. Based on the results of this review, we will determine your eligibility for discharge.

If we determine during our review of your application that you received a Direct Loan or Perkins Loan program loan, or a TEACH Grant before the date we received the SSA notice of award (or BPOY) or before the date the physician certified your application in Section 4, and a disbursement of that loan or grant is made after that date, but before we have granted a discharge, we will suspend processing of your discharge request until you ensure that the full amount of the disbursement is returned to the loan holder or (for a TEACH Grant) to us.

If you apply for a total and permanent disability discharge and we determine as part of our review that a new Direct Loan or Perkins Loan program loan or a new TEACH Grant was made to you on or after the date we received the SSA notice of award (or BPOY) or the date the physician certified your application in Section 4, and before the date we grant a discharge, we will deny your discharge request. Collection will resume on your loans and you will again be responsible for complying with the terms and conditions of your TEACH Grant Agreement to Serve.

**Determination of eligibility or ineligibility for discharge.** If we determine that you are totally and permanently disabled, we will notify you that a discharge has been approved, and that you will be subject to a post-discharge monitoring period for three years beginning on the discharge date. The notification of discharge will explain the terms and conditions under which we will reinstate your obligation to repay your loan or to complete your TEACH service. The discharge will be reported to nationwide consumer reporting agencies, and any loan payments that were received after the date we received the SSA notice of award (or BPOY) or after the date the physician certified your discharge application will be returned to the person who made the payments.

## SECTION 6: DISCHARGE PROCESS / ELIGIBILITY REQUIREMENTS / TERMS AND CONDITIONS FOR DISCHARGE (CTD.)

### Discharge process for all other applicants (continued):

#### Determination of eligibility or ineligibility for discharge (continued).

If we determine that you are **not** totally and permanently disabled, you will be notified of that determination. The notification will include:

- The reason or reasons for the denial of your discharge application;
- An explanation that your loans are due and payable to the loan holder under the terms of the promissory note that you signed and that your loans will return to the status that would have existed if your total and permanent disability discharge application had not been received;
- An explanation that your loan holder will notify you of the date you must resume making payments on your loans;
- An explanation that if you applied for a discharge of a TEACH Grant service obligation, you must comply with all terms and conditions of your TEACH Grant Agreement to Serve;
- An explanation that you are not required to submit a new total and permanent disability discharge application if, within 12 months of the date of our notification to you that you are ineligible for discharge, you provide additional information regarding your disabling condition that supports your eligibility for discharge, and you request that we re-evaluate your discharge application; and
- An explanation that if you do not request re-evaluation of your prior discharge application within 12 months of the date of our notification of ineligibility for discharge, and you still wish to have us re-evaluate your eligibility for a total and permanent disability discharge, you must submit a new total and permanent disability discharge application to us.
- If you request a re-evaluation of your total and permanent disability discharge application or submit a new total and permanent disability discharge application, as described above, your request must include new information regarding your disabling condition that was not provided to us in connection with your prior application for discharge.

**Post-discharge monitoring period.** If you are granted a discharge, we will monitor your status during the 3-year post-discharge monitoring period that begins on the date the discharge is granted.

We will reinstate the requirement for you to repay your loans and/or complete your TEACH Grant service if, at any time during or at the end of the post-discharge monitoring period, you:

- Receive annual earnings from employment that exceed the poverty guideline amount (see **Note** below) for a family of two in your state, regardless of your actual family size;
- Receive a new loan under the Direct Loan Program or the Perkins Loan Program, or a new TEACH Grant;
- Receive a disbursement of a Direct Loan Program or Perkins Loan Program loan or a TEACH Grant that was initially disbursed prior to your discharge date and you fail to ensure that the disbursement is returned to the loan holder or (for a TEACH Grant) to us within 120 days of the disbursement date; or
- Receive a notice from the SSA indicating that you are no longer disabled or that your continuing disability review will no longer be the 5- to 7-year period indicated in the SSA notice of award or BPOQY.

During the 3-year post-discharge monitoring period, you (or your representative) must:

- Promptly notify us of any changes in your address or telephone number;
- Promptly notify us if your annual earnings from employment exceed the poverty guideline amount for a family of two in your state (see **Note** below), regardless of your actual family size;
- Upon request, provide us with documentation of your annual earnings from employment, on a form that we will provide; and
- Promptly notify us if you receive a notice from the SSA indicating that you are no longer disabled or that your continuing disability review will no longer be the 5- to 7-year period indicated in the SSA notice of award or BPOQY (after you had been previously determined to be disabled by the SSA, were receiving SSDI or SSI benefits, and had a continuing disability review period of 5 to 7 years or more from the date of your last SSA disability determination).

**Note:** The poverty guideline amounts are updated annually and may be obtained at <http://aspe.hhs.gov/poverty>. We will notify you of the current poverty guideline amounts during each year of the post-discharge monitoring period.

## SECTION 6: DISCHARGE PROCESS / ELIGIBILITY REQUIREMENTS / TERMS AND CONDITIONS FOR DISCHARGE (CTD.)

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### Discharge process for all other applicants (continued):

**Reinstatement of obligation to repay discharged loans or complete discharged TEACH Grant service obligation.** If you do not meet the requirements described above at any time during or at the end of the post-discharge monitoring period, we will reinstate your obligation to repay your loans and/or to complete your TEACH Grant service. If your loans are reinstated, you will be responsible for repaying your loans to us in accordance with the terms of your promissory note(s). Your loans will be returned to the status that would have existed if we had not received your total and permanent disability discharge application. However, you will not be required to pay interest on your loans for the period from the date of the discharge until the date your repayment obligation was reinstated. We will be your loan holder. If your TEACH Grant service obligation is reinstated, you will again be subject to the requirements of your TEACH Grant Agreement to Serve. If you do not meet the terms of that agreement and the TEACH Grant funds you received are converted to a Direct Unsubsidized Loan, you must repay that loan in full, and interest will be charged from the date(s) that the TEACH Grant funds were disbursed.

If your obligation to repay your loans or to complete your TEACH Grant service is reinstated, we will notify you of the reinstatement. This notification will include:

- The reason or reasons for the reinstatement;
- For loans, an explanation that the first payment due date on the loan following the reinstatement will be no earlier than 60 days following the date of the notification of reinstatement; and
- Information on how you may contact us if you have questions about the reinstatement, or if you believe that your obligation to repay a loan or complete TEACH Grant service was reinstated based on incorrect information.

## SECTION 7: ELIGIBILITY REQUIREMENTS TO RECEIVE FUTURE LOANS OR TEACH GRANTS

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### *For veterans who receive a total and permanent disability discharge based on a determination by the VA that they are unemployable due to a service-connected disability:*

If you are a veteran who is granted a **discharge** based on a determination that you are totally and permanently disabled as described in item **(2)** of the definition of “total and permanent disability” in Section 5 of this application, you are not eligible to receive future loans under the Direct Loan Program or the Perkins Loan Program, or future TEACH Grants, unless:

- You obtain a certification from a physician that you are able to engage in substantial gainful activity; and
- You sign a statement acknowledging that the new loan or TEACH Grant service obligation cannot be discharged in the future on the basis of any injury or illness present at the time the new loan or TEACH Grant is made, unless your condition substantially deteriorates so that you are again totally and permanently disabled.

### *For all other individuals who receive a total and permanent disability discharge:*

If you are granted a **discharge** based on a determination that you are totally and permanently disabled in accordance with item **(1)** of the definition of “total and permanent disability” in Section 5 of this application, you are not eligible to receive future loans under the Direct Loan Program or the Perkins Loan Program, or future TEACH Grants, unless:

- You obtain a certification from a physician that you are able to engage in substantial gainful activity;
- You sign a statement acknowledging that the new loan or TEACH Grant service obligation cannot be discharged in the future on the basis of any injury or illness present at the time the new loan or TEACH Grant is made, unless your condition substantially deteriorates so that you are again totally and permanently disabled; and
- If you request a Direct Loan Program or Perkins Loan Program loan, or a new TEACH Grant, within three years of the date that a previous loan or TEACH Grant was discharged, you resume payment on the previously discharged loan or acknowledge that you are once again subject to the terms of the TEACH Grant Agreement to Serve before receiving the new loan.

## SECTION 8: WHERE TO SEND THE COMPLETED DISCHARGE APPLICATION

Return the completed form and any documentation to:

U.S. Department of Education - TPD Servicing  
P.O. Box 87130  
Lincoln, NE 68501-7130  
Fax to: 303-696-5250  
Email to: [disabilityinformation@nelnet.com](mailto:disabilityinformation@nelnet.com)

If you need help completing this form, contact us:

Phone: 1-888-303-7818 (TTY: dial 771, then phone no.)  
Email: [disabilityinformation@nelnet.com](mailto:disabilityinformation@nelnet.com)  
Website: [www.disabilitydischarge.com](http://www.disabilitydischarge.com)

## SECTION 9: IMPORTANT NOTICES

**Privacy Act Notice.** The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authorities for collecting the requested information from and about you are §421 et seq., §451 et seq., §461, or §420L of the Higher Education Act of 1965, as amended (20 U.S.C. 1071 et seq., 20 U.S.C. 1087a et seq., 20 U.S.C. 1087aa et seq., or 20 U.S.C. 1070g et seq.) and the authorities for collecting and using your Social Security Number (SSN) are §§428B(f) and 484(a)(4) of the HEA (20 U.S.C. 1078-2(f) and 1091(a)(4)) and 31 U.S.C. 7701(b). Participating in the Direct Loan, FFEL, Perkins Loan, or TEACH Grant program and giving us your SSN are voluntary, but you must provide the requested information, including your SSN, to participate.

The principal purposes for collecting the information on this form, including your SSN, are to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan (such as a deferment, forbearance, discharge, or forgiveness) under the Direct Loan, FFEL, Federal Perkins Loan or TEACH Grant Programs, to permit the servicing of your loans, and, if it becomes necessary, to locate you and to collect and report on your loans if your loans become delinquent or default. We also use your SSN as an account identifier and to permit you to access your account information electronically.

The information in your file may be disclosed, on a case-by-case basis or under a computer matching program, to third parties as authorized under routine uses in the appropriate systems of records notices. The routine uses of this information include, but are not limited to, its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to consumer reporting agencies, to financial and educational institutions, and to guaranty agencies in order to verify your identity, to determine your eligibility to receive a loan or a benefit on a loan, to permit the servicing or collection of your loans, to enforce the terms of the loans, to investigate possible fraud and to verify compliance with federal student financial aid program regulations, or to locate you if you become delinquent in your loan payments or if you default. To provide default rate calculations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to state agencies. To provide financial aid history information, disclosures may be made to educational institutions.

To assist program administrators with tracking refunds and cancellations, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal or state agencies. To provide a standardized method for educational institutions to efficiently submit student enrollment statuses, disclosures may be made to guaranty agencies or to financial and educational institutions. To counsel you in repayment efforts, disclosures may be made to guaranty agencies, to financial and educational institutions, or to federal, state, or local agencies.

In the event of litigation, we may send records to the Department of Justice, a court, adjudicative body, counsel, party, or witness if the disclosure is relevant and necessary to the litigation. If this information, either alone or with other information, indicates a potential violation of law, we may send it to the appropriate authority for action. We may send information to members of Congress if you ask them to help you with federal student aid questions. In circumstances involving employment complaints, grievances, or disciplinary actions, we may disclose relevant records to adjudicate or investigate the issues. If provided for by a collective bargaining agreement, we may disclose records to a labor organization recognized under 5 U.S.C. Chapter 71. Disclosures may be made to our contractors for the purpose of performing any programmatic function that requires disclosure of records. Before making any such disclosure, we will require the contractor to maintain Privacy Act safeguards. Disclosures may also be made to qualified researchers under Privacy Act safeguards.

**Paperwork Reduction Notice.** According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0065. Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The obligation to respond to this collection is required to obtain a benefit in accordance with 34 CFR 674.61(b) or (c), 34 CFR 682.402(c)(2) or (c)(9), 34 CFR 685.213(b) or (c), and 34 CFR 686.42(b). If you have comments or concerns regarding the status of your individual submission of this form, please contact the U.S. Department of Education directly (see Section 6).