



March 2005

GEN-05-02 (REVISED)
FP-05-02 (REVISED)

Subject: Teacher Loan Forgiveness Application and Forbearance Forms

Summary: This revised letter corrects an error that was made in the original letter regarding when the use of the Teacher Loan Forgiveness Forbearance Form is appropriate.

This letter announces approval of the Teacher Loan Forgiveness Application and Teacher Loan Forgiveness Forbearance Form for the Federal Family Education Loan (FFEL) and the William D. Ford Federal Direct Loan (Direct Loan) Programs.

Dear Colleague:

This letter serves as approval of the enclosed application and forbearance forms for the Teacher Loan Forgiveness Programs in the FFEL and Direct Loan programs. The Teacher Loan Forgiveness Application is used to evaluate an FFEL Program or a Direct Loan Program borrower's eligibility for up to \$5,000 in forgiveness benefits for highly qualified teachers or up to \$17,500 for highly qualified mathematics, science, and special education teachers. The Teacher Loan Forgiveness Forbearance form is used to determine forbearance eligibility for FFEL or Direct Loan borrowers who are completing their teaching service requirements prior to applying for teacher loan forgiveness.

The Teacher Loan Forgiveness Application and the Teacher Loan Forgiveness Forbearance form may be used by —

- Teachers who started their qualified teaching service before October 30, 2004. These teachers may receive up to \$5,000 in loan forgiveness for service as a full-time elementary school teacher who demonstrates knowledge and teaching skills in reading, writing, mathematics, and other areas of the elementary school curriculum or for service as a full-time secondary school teacher teaching in a subject area that is relevant to their academic major;
- Teachers who started their qualified teaching service on or after October 30, 2004. These teachers may receive up to \$5,000 in loan forgiveness for service as a highly qualified, full-time elementary or secondary school teacher, as defined in the application;
- Teachers who started their qualified teaching service on or after October 30, 2004. These teachers may receive up to \$17,500 in loan forgiveness for service as a highly qualified, as defined in the application, full-time mathematics or science teacher in an eligible secondary school or for service as a highly qualified special education teacher; and

- Certain teachers who previously received teacher loan forgiveness under the previous provisions of the law. These teachers may receive loan forgiveness up to the difference between \$17,500 and the amount that had previously been forgiven only if the borrower is otherwise eligible and has five complete consecutive years of qualified teaching service that met the definition of a highly qualified full-time mathematics or science teacher in an eligible secondary school or a highly qualified special education teacher.

The Teacher Loan Forgiveness Forbearance form reflects the requirements pertaining to granting forbearance to an eligible borrower who will be performing qualified teaching service and whose loan forgiveness benefit, up to \$5,000 or up to \$17,500, as applicable, will ~~not~~ satisfy the total anticipated outstanding balance at the end of the borrower's fifth year of qualifying teaching service.

Implementation and Transition to New Forms

The attached OMB-approved forms are available for immediate use. Program participants may begin distributing the revised form immediately. Beginning July 1, 2005, only the attached application and forbearance request may be provided to borrowers. However, the previous versions of the forms may continue to be processed after that date, if applicable.

Imaging Technology

Each of the attached forms requests the borrower to complete and sign the form in ink. This request is made to accommodate imaging technology, but a pencil signature does not invalidate the form. This is consistent with the use of other common FFEL and Direct Loan forms.

In developing the forms, consideration was given to bar coding. Accordingly, the space at the top, bottom, or sides of the forms may be used for this purpose.

Printing Instructions

The enclosed forms must be printed with black ink on white paper. The typeface, point size and general presentation of the forms may not be changed from forms approved by the Secretary. However, you have the option of removing the bold type in the field names. You may also add bold and italic type to the instructions. The order of the program names that appear throughout the forms – William D. Ford Federal Direct Loan Program/Federal Family Education Loan Program – may be reversed depending on which program is using the forms.

Obtaining Copies for Reproduction

These forms will be available on the NCHELP Web Site in PDF format. Guaranty agencies are responsible for ensuring that the forms used by the agency and its lenders are identical to the forms approved by the Secretary. No changes may be made to the forms except those expressly authorized above.

Sincerely,


Jeff Baker, Director
Policy Liaison and Implementation

Attachments: Teacher Loan Forgiveness Application
Teacher Loan Forgiveness Forbearance Form