Deferment and Forbearance

A Deferral or a Forbearance is a temporary period during which you are not required to make payments.

You qualify for deferments based on a condition such as unemployment, enrollment, military service, etc. Forbearances are generally granted at the discretion of the servicer [1].

Deferment

A number of deferments, which can postpone repayment of your loans, are available to borrowers with federal loans and borrowers qualify for them based on circumstances such as enrollment in a degree program, a graduate fellowship program, unemployment, etc. They are often given for twelve months. Deferment, if you qualify, is often a better option for borrowers than forbearance since any subsidized loan that you have may not accrue interest during deferment. Eligibility requirements for qualified deferments differ based on loan type and the date the loan was originated. For a more complete listing of eligible deferments, please click on your loan servicer's website or visit the Department of Education’s Direct Loan website [2].

An important consideration to choosing to accept a deferment is that any unsubsidized loans continue to accrue interest and that interest is capitalized (added onto the principal of the loan) at the end of the deferment.

The grace period for each of your loans must be used before you can obtain deferments. Submit deferment forms (which can be downloaded from your loan servicers' websites) to EACH of your loan servicers about a month before the grace period ends. Follow-up with each loan servicer to ensure your deferment status has been approved.

Education Related Deferment

1) Graduate Fellowship Deferment

If you are engaged in a full-time course of study in a qualified graduate fellowship program, you may be eligible to qualify for an education related graduate fellowship deferment. Your fellowship program must provide financial support to allow for full-time study for at least six months. A graduate fellowship program official must certify your deferment form indicating that you meet all the eligibility requirements. You may download this deferment form from your loan servicer(s). If you are applying for a graduate fellowship deferment, ensure that you...
send a deferment form to ALL of your loan servicers. In addition, we suggest following up with your loan servicers to confirm that your deferment has been approved. For more information, please contact your loan servicer and/or view the Department of Education's Direct Loan website [2] for more details.

2) In-School Deferment

In-school deferment allows you to temporarily suspend student loan payments while you are enrolled in an eligible school at least half-time. If this is your first quarter of enrollment at UCSF and you have previous educational loans from undergraduate studies, you may need to complete an in-school deferment form (download the form from your servicer’s website). However, after enrollment reporting is completed for the quarter, your loans may automatically be deferred. The Registrar's Office at UCSF can assist you in getting in-school deferment forms certified for your enrollment at UCSF. You will want to log onto your account with your loan servicer(s) to make sure the new status is applied to your account.

If you are returning to UCSF from a leave of absence after doing research, after obtaining an additional degree at another institution, or after taking time off from your curriculum, we recommend that you actively complete an in-school deferment form, and submit the completed form to all of your loan servicers (including those that service your federal and campus loans). For campus loans, please contact UCSF Student Accounting [3]. For federal loans, log onto nslds.ed.gov [4] to obtain contact information for all of your federal loan servicers. Perkins loans' borrowers should contact the institution from where the loan was originated. For UCSF the Student Accounts Office [3] can assist you with deferments on Perkins, Health Professions Loans, Loans for Disadvantaged Students, Nursing Student Loans, and University Loans. Again, it is essential that you follow-up to ensure that your loan status has been adjusted as you requested. Please click here [5] for a copy of the Department of Education's in-school deferment form.

Note: Deferments on Federal Stafford (Direct or FFEL) loans are NOT available because you are in a medical residency program. Institutional loans such as Perkins, HPSL, Nursing, and University Loans, however, have varying availability of deferments in residency or advanced training programs.

Forbearance

Forbearance is the most costly alternative available to you because interest accrues on both your subsidized and unsubsidized federal loans. However, forbearance might be your only viable option. Be sure to explore all of the income-driven repayment plan options before choosing forbearance; payments may be lower than you might assume when driven by your current income. If you apply for and receive a forbearance for 12 months, and your financial situation changes to allow for payment - you may, and should, elect to leave the forbearance status. During the process of applying for forbearance, continue to make payments and do not assume forbearance has been approved until you receive written confirmation from your lender or loan servicer.

Forbearance During Delinquency
If your loans become delinquent due to non-payment, you will have to "bring them current" before any deferment can be allowed. In many cases, your lender or servicer will grant a forbearance for the time period between the payment due date and the date your loans can enter a deferment status. Any time forbearance is granted, remember that interest accrues on the loans, making them more expensive. Forbearance is not granted automatically, and must be specifically requested.

**Making Payments During a Deferment or Forbearance**

Making a loan payment during a period of grace, deferment or forbearance can greatly lower the total amount you pay over the life of your loan. For loans that do not charge interest during grace or deferment, any payments you make during this period will reduce your principal balance. When interest begins to accrue, it will be based on a smaller balance, thus reducing the total interest you have to pay.

[more ...](https://finaid.ucsf.edu/student-loan-debt-management-repayment/grace-period/making-payments-during-deferment-or-grace)