



RHT

Borrower Name \_\_\_\_\_

Borrower SSN \_\_\_\_\_

**SECTION 3: BORROWER REQUESTS, UNDERSTANDINGS, CERTIFICATIONS, AND AUTHORIZATION (CONTINUED)**

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I understand that:

- 1. I understand that I am responsible for the timely payment of my loan.
- 2. I understand that I am responsible for the timely payment of my loan.
- 3.

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**SECTION 6: DEFINITIONS**

**William D. Ford Federal Direct Loan (Direct Loan) Program:** Federal Direct Loan / Federal Direct Loan Lender, Federal Direct Loan Lender / Federal Direct Loan Lender, Federal Direct Loan Lender (Direct Loan Lender), Federal Direct Loan Lender (Direct Loan Lender), Federal Direct Loan Lender (Direct Loan Lender), Federal Direct Loan Lender (Direct Loan Lender) Lender.

**Federal Family Education Loan (FFEL) Program:** Federal Family Education Loan, Federal Family Education Loan Lender, Federal Family Education Loan Lender, Federal Family Education Loan Lender (Lender).

**Federal Perkins Loan (Perkins Loan) Program:** Federal Perkins Loan, Federal Perkins Loan Lender (Direct Loan Lender), Federal Perkins Loan Lender (Direct Loan Lender).

**A authorized official:** An individual who is 4 years of age or older.

**Capitalization:** The process of adding interest to the principal of a loan. Capitalization of interest occurs when a loan is in a deferment or forbearance status. The interest that accrues during this period is added to the principal of the loan. For example, if a student has a \$3,000 loan with an interest rate of 12%, and the student is in a deferment status for 12 months, the interest that accrues during this period is added to the principal of the loan, resulting in a new principal of \$3,360.

**A co-maker:** An individual who is not the borrower but who is responsible for the repayment of the loan.

**A deferment:** A period of time during which a borrower is not required to make payments on a loan. During this period, interest may or may not accrue on the loan. A deferment is typically granted to students who are enrolled in school at least half-time.

**A forbearance:** A period of time during which a borrower is not required to make payments on a loan. During this period, interest continues to accrue on the loan. A forbearance is typically granted to borrowers who are experiencing financial hardship.

**holder:** The Direct Loan Lender or Federal Family Education Loan Lender.

**A subsidized loan:** A Direct Loan, Federal Family Education Loan, Federal Family Education Loan Lender, Federal Family Education Loan Lender (Direct Loan Lender), Federal Family Education Loan Lender (Direct Loan Lender).

**A unsubsidized loan:** A Direct Loan Lender, Federal Family Education Loan Lender, Federal Family Education Loan Lender (Direct Loan Lender), Federal Family Education Loan Lender (Direct Loan Lender), Federal Family Education Loan Lender (Direct Loan Lender).

**Table 1. Capitalization Chart**

Treatment of Interest with Deferment/Forbearance	Loan Amount	Capitalized Interest	Outstanding Principal	Monthly Payment	Number of Payments	Total Repaid
Interest not capitalized	3,000	0	3,000	333	12	41,767
Interest capitalized	3,000	1,800	31,800	353	12	42,365
Interest capitalized and borrower makes payments	3,000	1,841	31,841	354	12	42,442

**SECTION 7: WHERE TO SEND THE COMPLETED DEFERMENT REQUEST**

For Direct Loans, send the completed deferment request to:

For FFEL Loans, send the completed deferment request to:

**SECTION 8: IMPORTANT NOTICES**

**Privacy Act Notice.** A, as a consumer, you have certain rights under the Privacy Act, 5 U.S.C. 552, and the Freedom of Information Act, 5 U.S.C. 552. These rights include the right to know what information about you is being collected, used, and disclosed by the lender, and the right to request that the lender correct or delete inaccurate or incomplete information. You also have the right to request that the lender restrict the lender's use and disclosure of your information. However, these rights are not absolute. For example, you do not have the right to prevent the lender from disclosing your information to other lenders or to the lender's servicer, or to prevent the lender from disclosing your information to a third party for the purpose of servicing your account. You also do not have the right to prevent the lender from disclosing your information to a third party for the purpose of marketing the lender's products and services. For more information about your rights under the Privacy Act and the Freedom of Information Act, see 5 U.S.C. 552(a) and 5 U.S.C. 552(b). You may also want to contact the Department of Justice, Office of Information Privacy, at 200 Constitution Avenue, N.W., Washington, D.C. 20540, or call 1-800-541-1881. If you are a resident of a state that has a privacy law, you may also want to contact that state's attorney general. If you have any questions about this notice, please contact your loan holder directly.

**Paperwork Reduction Notice.** A, as a consumer, you have the right to request that the lender reduce the amount of paperwork you receive from the lender. The lender is required to provide you with a copy of this notice. If you have any questions about this notice, please contact your loan holder directly. For more information about your rights under the Paperwork Reduction Act, see 44 U.S.C. 3501-3509. You may also want to contact the Department of Justice, Office of Information Privacy, at 200 Constitution Avenue, N.W., Washington, D.C. 20540, or call 1-800-541-1881. If you are a resident of a state that has a privacy law, you may also want to contact that state's attorney general. If you have any questions about this notice, please contact your loan holder directly.