



EdFed

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Ways to Put Off Making Payments

The two foremost methods for delaying student loan payments are deferments and forbearances. It's important to distinguish between the two because they are very different mechanisms. A deferment is a suspension of your loan payments. You are automatically entitled to a deferment if you meet certain conditions. For example, deferment is mandatory if you earn less than the poverty line – right now that's \$1,100 monthly or \$13,200 a year for a family of two – or if your student loan payments exceed 20 percent of your income.

Forbearance is a temporary modification of your loan repayment schedule, resulting in student loan payments being suspended or reduced. Forbearance is granted at the lender's discretion; it isn't an automatic right for student loan borrowers.

In obtaining either a deferment or forbearance, you achieve the goal of halting those weighty student loan payments in the here and now. There are a host of reasons why you may not be willing or able to currently tackle your student loans. Some reasons might include:

- You don't have a job or you're underemployed.
- You have other high debts, like credit card bills or medical bills.
- You have a family to support.
- You simply don't feel like it. (Just kidding!)

In all seriousness, even though you may have a litany of reasons for not wanting to pay right now, in the eyes of the law and from your lender's perspective the only question that really matters is: are you legally entitled to put off your student loan payments? Fortunately, there are a multitude of conditions under which you can qualify for a loan deferment or forbearance, and would be perfectly justified in requesting a temporary halt from making your normal monthly payments.

The trick to suspending your student loan payments, therefore, lies in first knowing which set of circumstances or which activities on your part can make you eligible for such relief, and then understanding how to apply for a suspension of loan repayments when you do meet your lender's requirements. As with most things in the student loan universe, the rules aren't hard and fast. Eligibility may depend on when your loans were taken out, if you had previous loans, and what type of loan is involved.