



MADISON COLLEGE FINANCIAL AID

Default Resolution Information

The National Student Loan Data System (NSLDS) reported that you are in default on a federal student loan which makes you **ineligible** to receive any federal student aid. Please be aware that you will not receive financial aid until all documentation is received and reviewed. Therefore, failure to submit this form and any necessary documentation in a timely manner and/or provide accurate information may significantly delay the processing, awarding and potential disbursement of financial aid funds.

INSTRUCTIONS - You must contact the agency or agencies that hold your loan(s) to make satisfactory arrangements to repay your loans. Once this has been arranged, you must submit documentation regarding your situation as indicated below.

STUDENT INFORMATION:

Last Name _____ First Name _____ Student ID _____

HOW TO RESOLVE YOUR DEFAULT STATUS

The following is a list of documentation that can be submitted to show that your defaulted loan has been resolved. If you are unsure of the agency or agencies that hold your defaulted loan(s), you can view this on your Student Aid Report (SAR) or use the National Student Loan Data System (NSLDS) at <https://nslds.ed.gov/>.

- A. Paid In Full Letter (including consolidation):** A student can resolve a default by repaying the loan(s) in full and thereby regain eligibility for federal financial aid. The student must provide documentation by submitting a "Default Paid in Full Letter" from the holder of the loan.
- B. Satisfactory Repayment Arrangement Letter:** A student in default on a federal student loan can be eligible for federal financial aid if he/she has made repayment arrangements that are satisfactory to the loan holder. After the student makes **six** consecutive, full, voluntary payments on time, he regains eligibility for federal financial aid. The student must submit a letter from the loan holder indicating that the student has made satisfactory repayment arrangements as documentation of the arrangement. **NOTE:** Although a student can regain eligibility for all federal financial aid funds by making satisfactory repayment arrangements, the loan is still in default. After the student makes more payments, the loan may be **rehabilitated**, (it will no longer be in default), see below for more information.
- C. Loan Rehabilitation:** A defaulted loan will be rehabilitated once the borrower makes **nine** consecutive, full, voluntary payments on time. Payments must be made within twenty days of the due date during ten consecutive months. Once the loan has been rehabilitated, the student will receive normal loan benefits, such as deferments. For a Perkins loan, **nine** consecutive, full, voluntary payments on time are required to rehabilitate the loan.

WHAT DOES THE DEFAULT RESOLUTION LETTER NEED TO CONTAIN

Due to the privacy act the lending agency will not release any information about your loan status to the Financial Aid Office over the phone. You must contact the lender and obtain the resolution documentation. This documentation **MUST** include the following information:

- A. Your name and the last four digits of your Social Security Number
- B. The loan information (loan period and amount)
- C. A statement indicating your default status has been resolved and how it was resolved (through payment in full, satisfactory repayment arrangement, consolidation, or loan rehabilitation)
- D. The date that the defaulted loan was resolved
- E. A statement clearly indicating you are eligible for Federal Title IV funds
- F. A date the letter was generated, within three months of submission to the Financial Aid Office

SIGNATURE

By signing, I certify that the information provided above is true and that I understand that my financial aid eligibility will be determined based on this information.

Student Signature _____ Date _____

Electronic signatures are not accepted.

SUBMISSION INSTRUCTIONS

Please sign and submit your completed form in **one** of the following ways:

- Email: financialaid@madisoncollege.edu
- Mail: Madison College Financial Aid, 1701 Wright Street, Madison, WI 53704
- Fax: (608) 243-4245
- In Person: At the Truax Enrollment Center or at any Regional or Metro campus