

Loan Cancellations

Cancellation on Student Loans: You are eligible to cancel part or all of your loan(s) if you are employed full-time for a full year at one of the qualifying service's listed below:

1. **Full-time Law Enforcement or Corrections Officer:** Employed in a federal, state, or local qualifying agency. Law Enforcement support staffs do not qualify.
2. **Full-time Teaching in a Low Income School:** To see if your school qualifies click on link [FSA Students Portal - Perkins Loan Cancellation](#) scroll down and click on the year you were teaching or are teaching.
3. **Total and Permanent disability or death of a borrower:** Total disability must be physician certified.
4. **Full-time Teaching Special Education:** At a public or non-profit elementary or secondary system.
5. **Full-time teaching:** In Math, Sciences, Bilingual Education or any field of expertise determined by the state education agency to have a shortage of qualified teachers.
6. **Provider of Early Intervention Services:** In a public or non-profit program under public supervision by a lead agency.
7. **Provider or Supervisor of Provision of Services to High Risk Children from Low Income Communities and their families:** Employed in a public or non-profit child or family services agency.
8. **Nurse or Medical Technician:** Full-time nursing or medical technicians providing direct health care services, secretarial or support staffing do not qualify.
9. **Peace Corp or ACTION Program Volunteer:** Qualifying service under the Peace Corps Act or as a volunteer under the Domestic Volunteer Service Act may cancel up to 70% of your loans.
10. **Military Cancellation:** Serving in the U.S. Armed Forces in an area of hostilities that qualifies for special pay may cancel up to 50% of your loans.

Cancellation forms must be certified by employer and back up documentation such as job descriptions is also required. All qualifying services must be full-time in every case. If you have any questions please contact Megin Soriano at (626) 395-6752 or email at megin.soriano@caltech.edu

Deferments

Deferments: Borrowers continuing their education are granted an In School Deferment and borrowers who have problems in meeting their payment obligations are entitled to either an Economic Deferment or a Forbearance.

In School Deferment: A borrower may defer his/her loan as long as he/she is enrolled at what a qualifying institution/university considers at least half-time or better.

Borrowers who exit one school and enter another immediately have their initial nine month grace period moved forward to the end of their school enrollment. A borrower attending school for a full academic year and is expected to enroll as at least a half-time student the following year, the borrower will receive a 12-month deferment. If the borrower will be leaving school after the current period of enrollment ends, he/she will be exited and enter the nine month grace period. In some cases where a borrower has left school long enough to use up his/ her initial grace period and then returns to school, the borrower will receive a six month grace period after the deferment ends.

Graduate Fellowship Deferment: A borrower enrolled in a course of study that is part of the graduate fellowship program approved by the secretary or engaged in graduate or post-graduate studies outside of the United States qualifies for a student deferment. A six month post deferment grace applies.

To qualify for a deferment for study as part of a post graduate fellowship the borrower must provide the institution with certification that the borrower has been accepted for or engaged in a full-time study in the institution's graduate fellowship program.

Economic Hardship Deferment: A borrower is entitled to an economic hardship deferment for periods of up to one year at a time, not to exceed three years total. Interest and principal do not accrue and there is a six-month grace period following the deferment.

A borrower must provide documentation proving he/she falls within the following qualifying categories:

1. A borrower who has received an economic hardship deferment for either a Stafford, Direct, or a Plus loan for the same period of time for which he/she is requesting a Perkins or Institutional loan economic hardship deferment must provide a copy of that document when applying with the institution.
2. A borrower must provide documentation if he/ she is receiving benefits under the federal or state public assistance program such as food stamps or supplemental social security income or state sponsored public assistance programs.
3. A borrower must provide a copy of his/ her paycheck stub if working full time and gross income does not exceed the greater of: The monthly minimum wage of \$748.37 and a family of two \$1010.00.
4. A borrower working full time and his/ her federal and institutional debt burden is equal to or more than 20% of his/her monthly income and the educational debt burden minus the income is Less than the monthly minimum wage or 100% of the federal poverty line for a family of two.
5. A borrower working as a volunteer Peace Corps, deferments may be granted for periods longer than one year but may not exceed a three year total.

Employed full time is considered a borrower who is employed or expected to be employed for at least 3 consecutive months for 30 or more hours per week.

Caltech is required to have a borrower complete a financial statement and provide supporting documentation before granting an economic hardship deferment. The documentation should include total monthly gross income from all sources and evidence showing the most recent monthly amount due on each of the borrower's federal/institutional education loans.

If a borrower is unemployed he/she must show proof that he/she is attempting to find employment or provide a letter stating financial status, or a copy of the previous years tax return or a copy of an unemployment check.

Forbearance Deferment: A forbearance is not a hardship deferment. Interest will accrue during the period of the forbearance. A forbearance is granted to a borrower for temporary relief of payments or temporarily lowering scheduled payments. Forbearances can be granted for a period of one year at a time, not to exceed three years.

Permanent and Total Disability

If a borrower is unable to engage in gainful employment of any kind because of a medically determinable impairment which is expected to continue for a long and indefinite period of time or to result in death is entitled to cancellation of loans. The documentation sent by the borrower will be reviewed and given final determination by the Secretary of HHS on the recommendation of the school, supported by the required medical certification relating to the borrower's disability.

To claim cancellation for disability you will need to submit a formal request to the school where you received the loan with the following documentation:

1. Date entered and date graduated or date studies terminated
2. Total amount of loans obtained
3. Amount of unpaid balance
4. Nature and date of onset of the disability
5. Statement of financial support
6. Current medical examination and/or treatment.