



# Higher Education Servicing Corporation

We'll Take You Higher!

1250 E. Copeland Rd., Suite 200  
Arlington, TX 76011-4921

1-800-366-4372 Toll Free  
M-F 8:00 am - 7:00 pm CT  
www.nthea.com

## Temporary Hardship Forbearance Form

Higher Education Servicing Corporation (HESC) wants to work with you to ensure the repayment of your student loan(s) is achieved as prudently as possible. We offer a variety of loan repayment plans and borrower options including forbearance. If you are unable to afford the monthly payments on your loan(s), you may be eligible for a forbearance, which can temporarily delay the repayment of your loan(s). If you are interested in receiving a Temporary Hardship Forbearance, please contact us immediately or read and complete this form and return it by fax to (817) 792-7878 or by mail to 1250 E. Copeland Road, Suite 200, Arlington, TX 76011-4921.

### Borrower Information

Borrower Name: \_\_\_\_\_ Social Security #: \_\_\_\_\_  
 Borrower Address: \_\_\_\_\_ Loan Account #: \_\_\_\_\_  
 \_\_\_\_\_ Telephone #: \_\_\_\_\_  
 Check here for change of address. Email Address: \_\_\_\_\_

### Terms & Conditions

Due to my current financial situation, I am unable to afford the monthly payments on my student loan account(s). I authorize HESC to grant a forbearance for the dates requested below and backdate it as needed to cover any delinquency on my loan(s) at the time this form is processed\* (a maximum of twelve (12) months). I authorize HESC to grant a forbearance on all of my loans, which fall under the guidelines for federally insured loans. I also understand that during the forbearance period, I am responsible for the interest that accrues on my account. If I do not make payments, any unpaid interest at the end of the forbearance period will be capitalized and added to my principal balance (see back of this form for additional information regarding capitalization of interest).

I will resume repayment of this debt within sixty (60) days of the forbearance end date as determined by HESC. The exact amount of the monthly payments calculated at the end of the forbearance will be in accordance with all applicable laws governing student loans. I understand that should my situation under which I applied for this forbearance change, I must notify HESC.

**I am requesting a forbearance to be placed on my loan(s) effective** \_\_\_/\_\_\_/\_\_\_ **OR** the date of delinquency (whichever is earlier) not to exceed 12 months.

If you wish forbearance to be shorter than the maximum of 12 months, please specify end date of forbearance here: \_\_\_/\_\_\_/\_\_\_

**The reason I am requesting a forbearance is:** (If no reason is given you will be assumed to have financial hardship)

- I currently am unable to pay the monthly payments on my loan(s)
- I will be going back to school within a few months
- Other (please explain) \_\_\_\_\_

\* Borrowers are permitted a maximum of 36 months of Temporary Hardship Forbearance throughout the life of the loan(s) to be processed in no more than 12-month increments.

### Authorization Acknowledgement

By signing below, I certify that I am willing to repay my loan(s), but am unable to do so at this time due to the reason(s) indicated above. Interest will continue to accrue during this period. Unless I pay the interest, it will be capitalized at the end of the forbearance period and added to the principal balance of the loan(s). I will resume repayment upon expiration of the forbearance and I agree to repay my federal education loan(s) according to the terms of my Promissory Note(s) and Repayment Agreement(s). I understand and agree to the terms and conditions contained on this form.

\_\_\_\_\_  
Borrower Signature

\_\_\_\_\_  
Date

# Capitalization of Interest

**Capitalization of interest** is the addition of outstanding accrued interest to the current principal balance of a loan. We will automatically capitalize your interest at the end of your forbearance. During your forbearance period you will receive notices effective March, June, September and December and again prior to the end of your forbearance. These notices will inform you of the amount of interest that has accrued. The major advantage of capitalizing interest is the flexibility it provides because no payment is required. However, we do recommend that you make payments towards the interest during your forbearance period if you are financially able to do so because the capitalized interest will result in a higher principal balance, higher monthly payments and additional interest charges over the course of repayment.

The chart below provides monthly interest accrual amounts and is intended to help you estimate the amount of interest that would accrue on your loan(s) **each month** so that you can estimate how much may be added to your loan's principal balance if the interest is capitalized.

For example, if you owe \$1,000 in principal at an interest rate of 8.0%, then approximately \$6.67 in interest would accrue on your loan(s) each month. If capitalization occurs on the loan(s) after a twelve-month forbearance period, the amount of interest that would be capitalized would be approximately \$80.00 for that twelve-month period.

Principal	5.00%	6.00%	7.00%	8.00%	9.00%
\$ 500	\$ 2.08	\$ 2.50	\$ 2.92	\$ 3.33	\$ 3.75
\$ 1,000	\$ 4.17	\$ 5.00	\$ 5.83	\$ 6.67	\$ 7.50
\$ 2,000	\$ 8.33	\$ 10.00	\$ 11.67	\$ 13.33	\$ 15.00
\$ 3,000	\$ 12.50	\$ 15.00	\$ 17.50	\$ 20.00	\$ 22.50
\$ 4,000	\$ 16.67	\$ 20.00	\$ 23.33	\$ 26.67	\$ 30.00
\$ 5,000	\$ 20.83	\$ 25.00	\$ 29.17	\$ 33.33	\$ 37.50
\$ 6,000	\$ 25.00	\$ 30.00	\$ 35.00	\$ 40.00	\$ 45.00
\$ 7,000	\$ 29.17	\$ 35.00	\$ 40.83	\$ 46.67	\$ 52.50
\$ 8,000	\$ 33.33	\$ 40.00	\$ 46.67	\$ 53.33	\$ 60.00
\$ 9,000	\$ 37.50	\$ 45.00	\$ 52.50	\$ 60.00	\$ 67.50
\$10,000	\$ 41.67	\$ 50.00	\$ 58.33	\$ 66.67	\$ 75.00
\$15,000	\$ 62.50	\$ 75.00	\$ 87.50	\$100.00	\$112.50
\$20,000	\$ 83.33	\$100.00	\$116.67	\$133.33	\$150.00
\$25,000	\$104.17	\$125.00	\$145.83	\$166.67	\$187.50
\$30,000	\$125.00	\$150.00	\$175.00	\$200.00	\$225.00