

# HOW TO AVOID

## Delinquency and Default on Your Student Loan

We're here to help educate you on how to make sound financial decisions and stay away from delinquency and default.

### What is delinquency?

Your student loan status will become delinquent if your monthly payment is not received by the due date.

### What is default?

If your loan becomes 270 days past due, you are legally in default on your student loan. Default is very serious, and the consequences can harm your credit and hinder your ability to borrow money for future purchases like a car or house.

### What are the consequences of delinquency or default?

Delinquency and default are serious—that's why we'll do everything we can to help you keep your account current. Consequences for having an account status in delinquency or default are:

- The entire amount of your loan, including accrued interest and late fees, will become immediately due and payable unless payments are legally postponed with a deferment or forbearance; consult the customer service provider for your student loans (your servicer) for available options.
- Your default will be reported to all national credit bureaus.
- Legal action can be taken against you, and you could be responsible for all attorney fees and court costs.
- A collection agency can be hired to collect the loan balance.
- You will be responsible for paying collection costs.
- Your wages can be withheld (garnished) to pay the loan balance.
- Your federal and state tax refunds can be withheld to pay the loan balance.
- You will not be eligible for any other federal financial aid.
- If your profession requires a license to practice, you can be denied renewal of your professional license until you have made satisfactory arrangements to repay your loan.

### Avoid delinquency and default.

Now that we've explained what delinquency and default are and how they can affect you, let's talk about how you can avoid them so you'll never have to worry about dealing with those situations.

Communicating with your servicer is the key to avoiding delinquency and default. Many options are available that can lower or postpone your student loan payments. Stay in touch with your loan servicer—let them know if you've changed your contact information, and make sure that they know when you've completed your educational program or transferred to another school.

To verify which servicers provide customer service for your loans, visit [nslds.ed.gov](http://nslds.ed.gov). You will need a PIN to access the site; you can get a copy of your PIN or request a new PIN online at [pin.ed.gov](http://pin.ed.gov). Fill in the lines below to conveniently store your servicer information.

#### Servicer 1

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Website: \_\_\_\_\_

#### Servicer 2

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Website: \_\_\_\_\_

#### Servicer 3

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Website: \_\_\_\_\_

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