

Delaying Student Loan Payments: Forbearance and Deferment

The information in this article pertains to Federal student loans only. Visit the [National Student Loan Data System \(NSLDS\)](#) to find out the current status of your loans. Postponement of payment on private student loans are usually worked out directly with the lender.

Consistent with [rising student loan debt](#) is the rising cost of the monthly payments. As the job market for recent graduates continues to falter, student loan default rates continue to rise.

Avoiding student loan default is very important. Once in default, you lose certain rights as a student loan borrower that could impact future repayment options.

While not a permanent solution to your student loan burden, temporary postponement of payments can prevent default and buy much needed time.

Deferment

Generally, deferment options, time limits and requirements will vary depending on the type of student loan. However, a deferment cannot be granted on a student loan that is in default.

Borrowers can qualify for deferment based on economic hardship, unemployment or military service. Deferment will basically allow you to postpone payment on your loans if you meet certain requirements. On subsidized loans, deferment will postpone the accrual of interest in addition to postponing monthly payments.

[PLUS loans](#), which are generally due when they are disbursed, have different deferment requirements.

Forbearance

Like deferment, forbearance can benefit both the borrower and the lender by preventing default. Generally, a forbearance is when the lender agrees to temporarily halt or extend the time to make payments.

While deferment is generally preferred to forbearance, the forbearance can be used as a tool to prevent default and is available to borrowers already in default.

There are both mandatory and discretionary forbearances and qualification varies depending on the borrowers financial situation and the type of student loan.

Through forbearance, you may be able to temporarily suspend payments for up to three twelve month periods.

Help is Available

It is important to [take action](#) if you are having trouble paying back your student loan debt. Postponing payments through deferment or forbearance can be useful for both preventing default and for getting back on your feet financially in order to meet your obligation in the future.



