



## **Forbearance: Is It the Right Option for You?**

Balancing a budget is challenging when unexpected expenses demand immediate attention and threaten to derail your student loan repayment. If you're facing unexpected circumstances, you can retake control by requesting forbearance.

Forbearance is one type of repayment option that allows you to make smaller monthly payments or suspend payments for a short period of time. Here are some important facts about loan forbearance:

- Forbearances can be granted in intervals of up to 12 months at a time for up to three years. You should contact your loan holder to discuss eligibility requirements.

*Note: The loan holder isn't required to grant forbearances, but will work with you if you're facing financial difficulty. You should continue making your student loan payments until the forbearance is granted.*

- Interest will be charged on all loans during the forbearance period and added to the principal amount of the loan when payments resume. If at all possible, you should pay the accrued interest while the loan is in forbearance.
- You should only use forbearance when no other repayment options are available. If possible, it's best to consider a deferment first, as the federal government pays the accrued interest on subsidized loans during periods of deferment

Student loan repayment options like forbearance and deferment are designed to provide payment relief during life's financial challenges and help you successfully manage student loan repayment and avoid delinquency and default. Stay in touch with your loan holder so together you can explore all available options when successful repayment is in jeopardy.

Learn more about forbearance by visiting [ReadySetRepay.org/repaying/forbearance.html](https://ReadySetRepay.org/repaying/forbearance.html).