

MUSC

Office of Financial Aid
45 Courtenay Drive MSC 203
Charleston, South Carolina 29425
Phone: 843-792-2536
Fax: 843-792-6356

DISCHARGED LOANS WORKSHEET

Please complete the appropriate section depending on the reason your loan was discharged. Your aid cannot be processed until you complete and return this form to the Financial Aid Office within 15 days.

Name _____ Student ID or Last 4 of SSN # _____

Address _____
City State Zip

Phone number _____ Award Year _____

SECTION A: DISCHARGED DUE TO BANKRUPTCY

The U.S. Department of Education indicated that you have federally guaranteed student loans and have filed for bankruptcy. Please answer the questions below:

1. Are your student loans dischargeable and have they been included in the bankruptcy filing?
 Yes - Please sign and return this form to the MUSC Financial Aid Office.
 No - Please go to question 2.
2. Have you made satisfactory arrangements to repay your student loans?
 Yes - Sign and return this form to the MUSC Financial Aid Office.
 No - Contact your lender to make satisfactory arrangements to pay. You are not eligible to receive federal or state aid until your student loans are in a satisfactory payment status with the lender.
3. I have contacted my lender as instructed above.
 Yes **No**

Please sign and return this form to the MUSC Financial Aid Office.

I certify that this information is accurate.

Student's Signature _____

Date _____

SECTION B: DISCHARGED DUE TO DISABILITY

Part I: FEDERAL LOAN CONSIDERATION OPTIONS

- Yes, I want MUSC to consider me for additional federal loans. Your physician must complete **Part II** below.
- No, I do not want MUSC to consider me for additional federal loans. No additional action is necessary.

Part II: PHYSICIAN CERTIFICATION: If you selected 'Yes' in **Part I**, this section **must** be completed by your physician.

The physician's certification may only be completed by a doctor of medicine (M.D.) or doctor of osteopathy (D.O.) licensed to practice in the United States (including Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, and the Federated States of Micronesia and Palau).

A podiatrist or psychologist may not certify the physician statement unless he or she is also an M.D. or a D.O.

Other medical professionals such as chiropractors, herbalists, physician assistants (PAs), registered nurses (RNs), licensed practical nurses (LPNs), Ph.D.s, and residents in training who are not yet fully licensed M.D.s or D.O.s are not eligible to complete the Physician's Certification.

Physician Certification: I certify that my patient, the student identified above, has a disability condition that has improved and the student, in my professional opinion, has the ability to engage in substantial gainful activity. The phrase "substantial gainful activity" generally describes a situation in which a borrower is sufficiently physically recovered to be capable of attending school, successfully completing a program of study, and securing employment in order to repay the new loan the borrower is seeking. I understand that I may be contacted by MUSC Financial Aid Office for clarification of this student's status.

_____ Physician's Full Name	_____ License No.	_____ Specialty		
_____ Office Address	_____ City	_____ State	_____ Zip	_____ Phone Number
_____ Physician's Signature	_____ Date			

Total and Permanent Disability Discharge

Perkins, FFEL, and Direct loan borrowers may qualify to have their loans discharged if they become totally and permanently disabled. Except for veterans who qualify for a total and permanent disability (TPD) discharge based on a determination by the Department of Veterans Affairs (VA) that they are unemployable due to a service-connected disability, the Department of Education monitors the status of borrowers who have received a TPD discharge for a three-year period.

Borrowers whose discharge applications are received on or after July 1, 2010, receive a final discharge followed by a *post-discharge monitoring period* that begins on the date the discharge was granted and lasts for up to three years. Borrowers whose discharge applications were received before July 1, 2010, received a conditional discharge followed by a *conditional discharge period* that begins on the date the borrower's physician certified the disability discharge application and lasts for up to three years. If the borrower does not meet certain eligibility requirements throughout the post-discharge monitoring period or conditional discharge period, the Department reinstates the borrower's obligation to repay the discharged loan(s) or returns the conditionally discharged loan(s) to repayment status.

The same criteria and procedures are used to discharge and reinstate the service obligation for TEACH grant recipients who become totally and permanently disabled.

If a borrower whose prior loan was discharged due to a TPD wishes to take out another FSA loan or wishes to receive a TEACH grant, he must obtain a physician's certification* that he has the ability to engage in substantial gainful activity, and he must sign a statement acknowledging that the new FSA loan or the TEACH grant service obligation can't later be discharged for any present impairment unless it deteriorates so that he is again totally and permanently disabled.

If the borrower requests a new loan or TEACH Grant during the post-discharge monitoring period or the conditional discharge period, he must also resume payment on the old loan before receipt of the new loan or TEACH grant. If the loan on which the borrower must resume payment was in default when it was discharged or conditionally discharged, it remains in default upon reinstatement, and the student must make satisfactory repayment arrangements before receiving the new loan, in addition to meeting the other requirements described.

A borrower who received a TPD discharge based on a determination from the VA that he is unemployable due to a service-connected disability is not subject to a monitoring period and is not required to resume payment on the discharged loan as a condition for receiving a new loan. But he must still provide the physician's certification and borrower acknowledgement described above.

I certify that I have read and understand all of the information contained in the policy above which can be found in the Student Financial Aid Handbook, Volume 1 (Student Eligibility), Chapter 3 (NSLDS Financial Aid History).

Student's Signature

Date