

Defaulted Loans

Your loan is in default if you have not made payments for 270 days (if you make monthly payments) or 330 days (if your payments are less frequent). Student loan default is a very serious situation that requires your immediate attention.

Never ignore any delinquency notices you receive from your loan servicer.

This page describes

- [Steps to take if your loan is in default](#)
- [What to do if you think the default has been declared by mistake](#)
- [Consequences of default](#)
- [Options for getting out of default](#)

For more information, see the [Collections Guide to Defaulted Student Loans](http://www2.ed.gov/offices/OSFAP/DCS/index.html). <http://www2.ed.gov/offices/OSFAP/DCS/index.html>

If your loan is in default

If you have [defaulted](#) on any of your federal education loans, take the following steps:

1. Contact the agency that is billing you.
2. Explain your situation fully.
3. Ask them [what options are available](#) to resolve your problem.
4. Let them know that you are willing to [repay your loan](#) and ask them to work with you.
5. Always stay in touch with your lender or collection agency.

If you think the default is an error

If you believe your loan has been placed in [default](#) by mistake, you may be able to correct the error. Here's what to do if one of the following is true:

- **You've been attending school on at least a half-time basis.** Contact your school's registrar to get a record of all of your dates of at least half-time attendance. Contact each school you have attended since you received your loan so your documentation is complete. Ask your loan [servicer](#) for the last date of attendance on file for you. If your last date of attendance is not correct, provide your loan servicer with a copy of your documentation showing the correct date.
- **You have a deferment or forbearance.** Ask your loan [servicer](#) to confirm the start and end dates of any [deferments](#) and [forbearances](#) that have been applied to your loan account. If the loan [servicer](#) has incorrect information, provide documentation with correct information. For more information, see our [payment relief](#) page.
- **You believe you've made payments that weren't credited to your account.** Ask your loan [servicer](#) for a statement that shows all payments made on your student loan account. For more information, see our [account balance](#) page.

Consequences of default

Default has consequences that are extremely serious and hard to recuperate.

- By federal regulations, if you are in [default](#) on a federal student loan, you are not [eligible for further Title IV student aid](#).
- You are also no longer eligible for loan forgiveness or [payment relief](#).
- Reports of default are made to all national [credit bureaus](#). This will affect your ability to buy a car or house, or to get a credit card.
- You will be subject to more serious collection activities such as
 - the demand for immediate payment in full
 - lawsuits where a judgment can be placed to prevent you from purchasing or selling your assets
 - the assignment of your account to a collection agency, with up to a 25 percent fee added to your outstanding balance.

Options for getting out of default

Here's what you can do to get out of default:

- Pay the loan in full.
- Discuss a repayment plan with your [lender](#). -- You have several ways to [repay your loan](#) by making monthly installment payments on your account.
 - Standard Repayment – fixed monthly payments of at least \$50 with up to 10 years to repay in full.
 - Graduated Repayment – monthly payments will begin low and increase gradually over time.
 - Extended Repayment – lowers monthly payments over a longer period of time and has a predictable payment schedule.
 - Income Contingent and Income-Sensitive Repayment – monthly payments are calculated as a percentage of your income.
- [Rehabilitate your loan](#)
- [Consolidate your loan](#)
- Determine if you qualify for [payment relief](#)

NEVER ignore default notices from your loan servicer!