

Federal Student Loan Disability Discharge

When cancer strikes, financial issues can add to the stress of medical appointments, treatments, pain, low energy, and worries about the future. People living with cancer may find themselves physically unable to work, at a time when bills are mounting. Student loans are one of the largest financial burdens for many young adults and their parents. For borrowers with total and permanent disabilities, relief is available. Borrowers may qualify for a complete discharge of federal student loans if they can show one of the following:

1. Documentation from the US Department of Veterans Affairs that you are unemployable due to a service-connected disability;
2. Documentation from the Social Security Administration (SSA) that you are receiving Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) benefits, with a review date of 5-7 years; OR
3. Documentation from a physician that you are totally and permanently disabled.

To encourage more participation in the program, the Department of Education on April 12, 2016 announced a new process to identify and help borrowers who qualify for discharge. The Department is now proactively identifying qualified candidates, and will begin to notify almost 400,000 borrowers that they are already approved.

While this is a good step, it helps only a fraction of the 43 million student loan borrowers in the U.S. To start the discharge application process, or for more information, call 1-888-303-7818 or visit <https://disabilitydischarge.com>.

TWO THINGS TO NOTE:

- One disadvantage of the program is that the forgiven debt may be considered taxable income. It is important to consult with an accountant on whether taxes will be owed on any amounts discharged.
- This program does NOT apply to private student loans, which are very different and have fewer options for consolidation, forbearance, or deferment.

Live in Minnesota and have questions? Call Cancer Legal Line @ 651-917-9000