

# GOVERNMENT STUDENT LOANS

## GLOSSARY

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These are some of the more common terms regarding government student loans. Click here for The Defaulted Government [Student Loan](#).

### A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

#### A

#### B

#### C

**Cancellation of Student Loan** Cancellation of the student loan can occur with the **Loan** death of the borrower, permanent total disability of the borrower, school closing or school officials falsely certified the student or bankruptcy where "undue hardship" can be proved.

**Collection History** A summary of the telephone contacts and written correspondence with the borrower(s) encouraging them to repay the loan.

**Conditional Discharge** U.S. Department of Education, Conditional Discharge, P.O. Box 7200, Utica, New York 13504 Tel. (315) 731-2715

**Consolidation** To refinance a student loan or combine two or more loans into a new loan. Go to the Department of Education at 800-557-7392 or <http://www.loanconsolidation.ed.gov/borrower/borrower.shtml>

#### D

<b>Defaulted Student Loan</b>	Generally means that the agreed payments haven't been paid on the loan for nine payments or more.
<b>Deferment</b>	The temporary postponement of a student loan.
<b>Default</b>	The terms of the student loan require the student or the parent as the borrower to make regular payments. The borrower is in default when he/she fails to make nine regular payments and the holder of the loan concludes that there will be no further payments.

**Other Glossaries**

1. [Virginia District Court Manual](#)
2. [Glossary of Terms, York County Virginia](#)
3. [Common Federal Court Legal Terms](#)
4. [Medical Glossary](#)
5. [Legal Terms](#)

**Direct Loans or The William D. Ford William D. Ford Loans** Federal Direct Loan (Direct Loan) Program includes Federal Direct Stafford/Ford Loans (Direct Subsidized Loans), Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans), Federal Direct PLUS Loans (Direct PLUS Loans), and Federal Direct Consolidation Loans (Direct Consolidation Loans).

<b>Disclosure Statement</b>	The statement or loan terms and conditions required by the Higher Ed Act in lieu of Truth-in-Lending disclosure Docs Key student loan documents. They include the Promissory Note; Disclosure Statement; Collection History; and Payment History.
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**E**

<b>Education Credit Management Corporation</b>	Virginia guaranty agency. Boulders, Building VII, 7325 Beaufort Springs Drive, Suite 200, Richmond, VA 23225, Telephone 888-775-3262 <a href="http://www.ecmc.org/main/about_us.html">http://www.ecmc.org/main/about_us.html</a>
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**F**

<b>Federal Direct Loan</b>	A loan made directly by the government. Contact U.S. Department of Education, Direct Loan Servicer, 501 Blecker Street, Utica, NY 3501 <a href="http://www.dlservicer.ed.gov">http://www.dlservicer.ed.gov</a>
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<b>Federal Family Education Loan Program (FFELP)</b>	There is both a lender, a guarantee agency and a federal reinsurance. The loan is made by a financial
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institution and guaranteed by the government. The program includes Federal Stafford Loans (both subsidized and unsubsidized), Federal Supplemental Loans for Students (SLS), Federal PLUS Loans, and Federal Consolidation Loans. The holder of a borrower's FFEL Program loan(s) may be a lender, a guaranty agency, or the U.S. Department of Education (the Department). The holder of a borrower's Direct Loan Program loan(s) is the Department. If the borrower has a FFELP loan not guaranteed by ECMC, you may find the e-mail address and phone number of the guaranty agency at <http://www.nchelp.org/directory/index.cfm>

**Forbearance of Student Loan**

A temporary postponement or reduction of a student loan. For a subsidized loan, interest is subsidized during a deferment but not during a forbearance. Otherwise, the terms are substantially the same (although there are historical differences).

**G**

**Government Student Loan**

Guaranteed student loans, or GSL's

**Grace Period**

A period of time, usually 6 months, between departure or graduation during which payments regarding the student loan are not required.

**Guarantee Agency**

A state or private, non-profit company that insures student loans.

**H**

**Holder**

The entity that owns the loan.

**I**

**J**

**K**

## L

### **Lender**

The entity where the student loan is obtained, for example, a bank, savings and loan, school or the federal government.

### **Loan Application**

Includes the address, telephone number, and nearest relative. This document is on file with the Department of Education for federal loans.

### **Loan Discharge**

See School [Closure](#).

## M

### **Master Promissory Note**

A promissory note that permits the borrower to receive more than one loan. Unlike a line of credit, under a Master Promissory Note, the borrower must apply and qualify for a new loan each academic year.

## N

### **National Student Loan Data System (NSLDS)**

<http://www.nslds.ed.gov>

### **NSLDS**

National Student Loan Data System

## O

### **Ombudsman, Student Loan**

877-557-2575 <http://www.ombudsman.ed.gov/>

## P

### **Payment History**

An accounting of the payments received on a student loan account indicating the application of each to principal, interest, late fees or other charges.

### **Perkins Loans**

A low-interest loan for students with low incomes. Called National Defense Student Loans until July 1972 and then National Direct Student Loans until October 1986. The federal government provides the capital for the loan, but the loan is made by the school.

**PLUS Loans**

Parental Loans for Students. Federally guaranteed or Direct loans made to parents of undergraduate students.

**Promissory Note**

A signed document by the student guaranteeing the repayment of the loan.

**S**

**School Closure**

Loan discharge due to school closure cancels the obligation of a borrower (and endorser, if applicable) to repay the remaining outstanding principal, accrued interest, collection costs, and late fees on a FFEL Program or Direct Loan Program loan, and qualifies the borrower for reimbursement of any amounts paid voluntarily or through forced collection on the loan. A loan discharge is also reported to credit bureaus to remove any adverse credit history associated with the loan.

The student had to be enrolled on the date the school closed or within 90 days prior. Also, the loan or loans canceled are only those for courses the student could not complete. If the student completed courses before the school closed and those credits can transfer to another institution, the student is considered to have received value for the loan.

**Dates of attendance:** The "to" date means the last date that you or the student actually attended the closed school.

**Servicer**

The entity that administers and collects the loan on behalf of the Holder.

**Stafford Loans**

Government loans for the student.

**T**

**U**

**Undue Hardship**

See Cancellation of Student Loan – Bankruptcy

**V**

**W**

**X**

**Y**

**Z**

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