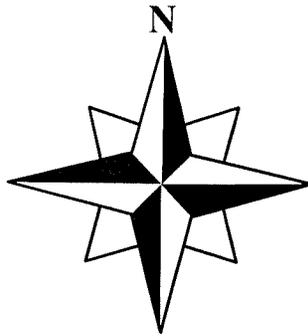
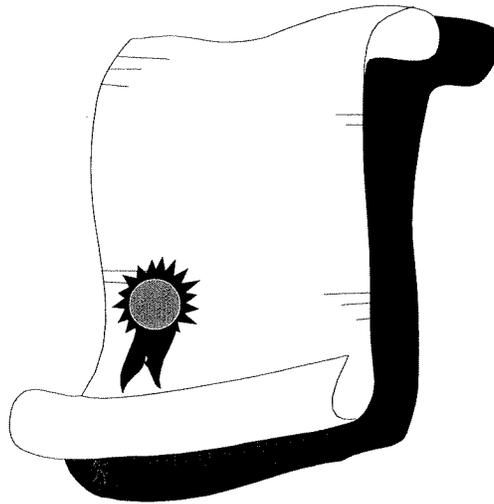


A Soldier's Guide



To the Student Loan Repayment Program “SLRP”



Provided by the Student Loan Repayment
Program Team
Fort McCoy, WI 54656-5122

Revised 08/14/00

STUDENT LOAN REPAYMENT PROGRAM - AN INTRODUCTION

This booklet is designed to be a “user friendly” guide to the Student Loan Repayment Program (SLRP). Hopefully, it will answer most of your questions and help you understand your benefits.

It is not intended to replace Department of the Army policy on SLRP. For specific questions on individual soldier’s eligibility, etc., please refer to Army Regulation AR 135-7, Chapter 5.1.

Keep this booklet and refer to it when you have questions on SLRP. If you follow the steps outlined, you will receive maximum benefits from SLRP with minimal difficulty. SLRP can and does work. Make it work for you!!

WHAT IS SLRP?

SLRP is a program that helps you pay off your student loans. When used properly, this program allows you to greatly reduce or even completely eliminate your educational debts.

SLRP is an incentive. This means that it is an option available to you when you enlist or reenlist. If you meet the eligibility requirements, you must select SLRP when you sign your contract and you must execute DA Form 5261-4-R, SLRP Addendum, at that time. Without the addendum, you do not have SLRP!

Remember, too, that the Army Reserve does not give you the student loans. You must apply for financial aid through your school, like everybody else. Having SLRP as part of your contract just means that the Army Reserve will help you repay your student loan(s).

AM I ELIGIBLE FOR SLRP?

TO QUALIFY FOR SLRP YOU MUST:

...Complete a DA Form 5261-4-R, SLRP addendum, when you sign your

enlistment/reenlistment contract.

...Enlist or reenlist in a bonus mos.

- Prior to 1 January 1992 all MOS's qualified for at least \$10,000.
- From January 1992 through November 23, 1993 the soldier must be performing in a qualifying DA approved MOS or assigned to a bonus unit.
- After 23 November 1993 the soldier must be performing in a qualifying DA approved MOS.

...Be a secondary school graduate (para 1-7.1, AR 135-7)

...Not be contracting to qualify for a permanent civilian position

where membership in the Reserve is a condition of employment.

IN ADDITION, FOR NONPRIOR SERVICE SOLDIERS YOU MUST:

...Enlist 6x2 or 8x0 option

...Be classified in mental category I, II, IIIA (Armed Forces

Qualification Test)

IF YOU ARE PRIOR SERVICE YOU MUST ENLIST OR REENLIST:

...For at least 3 years.

HOW DO I KNOW IF I HAVE SLRP?

Remember, SLRP is an incentive and you must select it at the time you sign your contract. Look in your 201 File at your unit or in your records at home for DA Form 5261-4-R, SLRP addendum or DA 7386-R for the RASP (Reserve Associate Support Program).

If it's there you have SLRP. If it's not there, you do not have SLRP on this contract. You may be eligible for SLRP on your next contract. So be sure to talk to your Retention NCO about it before you reenlist.

Prior to July 1986, the SLRP Addendum was DA Form 5139-R and DA Form 2057 Test, so look for these documents if you signed your contract before July 1986.

WHICH LOANS ARE ELIGIBLE TO BE REPAID?

The following loans qualify for repayment:

- Stafford Loans - also called Guaranteed Student Loans.
- Federally Insured Student Loans (FISL).
- Perkins Loan (formerly National Defense Student Loan and

National Direct Student Loans (NDSL).

- Auxiliary Loans to Assist Student (ALAS).
- Supplemental Loans for Students (SLS).
- Consolidated Loan Program (CLP).
- SMART Loans.
- Parent Plus Loans (For soldiers who contracted prior to 15 May 96)

(Soldiers who contracted on or after 28 Feb. 92 the soldier must be the student for this loan to be eligible)

Only these loans are eligible to be repaid. State loans and private loans, such as TERI loans, are not eligible to be repaid under SLRP.

Helpful hint:

When applying for financial aid, do not assume you will not be eligible. Give a list of the qualifying loans to the financial aid officer at your school. Many areas, not just income, are considered when making a financial need determination. Apply for a need-based loan, such as the Stafford or Perkins.

WHAT FORMS DO I NEED?

SLRP payments are not automatic. You must submit the paperwork each year so that a payment will be made. Keep in close contact with your unit administrator.

Here is what you will need:

DD FORM 2475,(May 97 Version) ANNUAL APPLICATION FOR LOAN REPAYMENT

This form has three sections that must be completed by you, your unit administrator and your loan holder. (See next page.) **The dated information in Section III must be less than 6 months old upon receipt. * This form contains a front and back page.**

PROMISSORY NOTE

You must give your unit administrator a clear, legible copy of the original promissory note you signed for each student loan. It cannot be a loan disclosure statement or a repayment schedule. If you do not have a copy of your note, ask your lender, loan servicer or financial aid officer to give you a copy. Lenders are usually willing to cooperate if they know this will help get the loan repaid quickly.

DA FORM 5261-4-R, STUDENT LOAN ADDENDUM

A copy of your addendum must be attached to your SLRP repayment packet. If MOS is not stated, include documentation of the MOS at the time soldier executed the addendum. This shows that you selected SLRP and are eligible to participate in the program. Also attach the DD form 4/1 if signed upon reenlistment.

You should start working with your unit about 2 months before your anniversary date. This will give you time to complete the paperwork, send it to your loan holder and get it back.

Remember, your unit must wait until all your loan paperwork is completed before it can be submitted for payment. All of your eligible loans should be submitted at the same time so equal distribution of payment can be made. Your unit should submit completed paperwork to Ft McCoy SLRP team on or after your anniversary date.

If previously in IRR—Refer to termination for additional guidance.

CONTROL NO.

LOAN TYPE (x one)

Form Approved

DOD EDUCATIONAL LOAN REPAYMENT PROGRAM(LRP) ANNUAL APPLICATION		Active Duty LRP	OMB No. 0704-0152 Expires May 31, 2000	
		Health Professionals LRP		
X	Selected Reserve LRP			

The public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports(0704-0152), 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.
PLEASE DO NOT RETURN YOUR FORM TO EITHER OF THESE ADDRESSES. FORWARD YOUR FORM TO THE APPROPRIATE ADDRESS AS INDICATED IN THE INSTRUCTIONS ON

PRIVACY ACT STATEMENT

AUTHORITY: 10 USC 2171 16301,16302,and EO 9397, November 1943 (SSN)
PRINCIPAL PURPOSE: To administer the DoD Loan Repayment Program.
ROUTINE USES: Release is restricted to the Department of Education, to the U.S. Public Health Service, to public and private higher educational institution, to financial institutions, to the Internal Revenue Service, to private bill collection agencies. The information provided may be used in computer matching programs within the DoD or with any other affected Federal Agency for verification to determine your eligibility and/or compliance with the benefit program requirements being applied for herein and to effect recovery of any improper payments made toward delinquent debts owed by a beneficiary or former beneficiary.
DISCLOSURE: Voluntary; however, failure to provide your Social Security Number may delay processing of your LRP application.

SECTION I - SERVICE MEMBER DATA (To be completed by servicemember)

1. LENDER		b. ADDRESS (Street, City, State, and ZIP Code)	c. TELEPHONE NUMBER (Incl. Area Code)
a. NAME Great Lakes Higher Ed Corp	PO Box 7860 Attn Cash Ops Madison, WI 53708		1-800-729-6669
d. ACCOUNT NUMBER 324-25-7889			e. LOAN 1 OF 1 LOANS

2. SERVICEMEMBER

a. TYPED OR PRINTED NAME (Last,First,Middle Initial) Rich Wanta B		b. ADDRESS(Street, City, State, and ZIP Code) 200 Million St Evergreen, WI 54840	
c. SOCIAL SECURITY NO. 324-25-4556	d. TELEPHONE NO.(incl. Area Code) 608-214-3000		
I authorize the release of my financial data by lender / holder to complete entries in SECTION III.		e. SIGNATUR E <i>Wanta B Rich</i>	f. DATE SIGNED (YYMMDD) 990525

SECTION II - PERSONNEL OFFICE VERIFICATION (To be completed by personel / unit records custodian)

3. UNIT OF ASSIGNMENT

a. UNIT DESIGNATION 1786 th Hospital Unit		b. ADDRESS (Street, City, State, and ZIP Code) 123 Fix It Place Siren, WI 54872	
c. TELEPHONE NUMBER (Include Area Code) 608-304-3745	d. LOAN ELIGIBILITY DATE Date soldier signed addendum (optional)		

4. PERSONNEL / UNIT RECORDS CUSTODIAN

a. TYPED OR PRINTED NAME (Last,First,Middle Initial) Payme, Now UA		b. SIGNATURE <i>Payme Now, UA</i> Certifies soldier completed a satisfactory yr.	c. DATE SIGNED (YYMMDD) on or after soldier's anniversary date 990527
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SECTION III - LOAN STATUS CONFIRMATION (To be completed by loan holder)

5. LOAN DATA

a. STATUS (X one)		b. ORIGINAL AMOUNT	c. OUTSTANDING BALANCE	d. INTEREST DUE (Not Paid by DOE)	e. DATA SHOWS CONSOLIDATION(When multiple loans are involved)
<input checked="" type="checkbox"/> In Default	<input type="checkbox"/> PAYMENTS BEING MADE	Must match note 2625.00	2749.50	23.50	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
<input checked="" type="checkbox"/> Deferred					

6. LOANHOLDER DATA

a. NAME Great Lakes Higher Ed Corp		c. ADDRESS (Street, City, State, and ZIP Code) PO Box 7860 Attn Cash Ops Madison, WI 53708	
b. TELEPHONE NUMBER (Include Area Code) 1-800-729-6669		Money amounts can not be altered in Section III	

7. INSTITUTION WHERE PAYMENT IS TO BE SENT

a. NAME Great Lakes Higher Ed Corp		c. ADDRESS (Street, City, State, and ZIP Code) PO Box 7860 Attn Cash Ops Madison, WI 53708	
b. TELEPHONE NUMBER (Include Area Code) 1-800-729-6669			

8. TYPE OF LOAN	9. ORIGINAL DATE OF NOTE (YYMMDD) 06-30-97	10. UNPAID PRINCIPAL BALANCE \$2726.00	11. INTEREST RATE 5.6%	12. LOAN ACCOUNT NUMBER 324257889-889 89
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13. CERTIFYING OFFICER. As an official of the holding institution, I verify that SECTION III information is correct and current. Copy of the promissory note(s) is enclosed

a. NAME (Last,First, Middle Initial) (please print or type) Banker, Cash O	b. TITLE Loan Officer	c. SIGNATURE Should be original <i>Cash Only Banker</i>	d. DATE SIGNED (YYMMDD) 05-31-99 <i>Must be less than 6 months upon receipt</i>
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14. REMARKS

Capitalized Interest \$101.00

DOD FORM 2475

**“DOD EDUCATIONAL LOAN REPAYMENT PROGRAMS(LRP) ANNUAL APPLICATION”
INSTRUCTIONS**

SECTION I (To be completed by servicemember)

1.a. LENDER NAME. Institution that made the original loan to the servicemember. Loans are often sold so that the current holder of the loan may not be the original lender of the loan.

a. - c. Self-explanatory

d. LOAN ACCOUNT NUMBER. (Usually found on payment book or coupon or on promissory note.)

e. LOAN ____ OF ____ LOANS. If servicemember has more than one (1) loan, a separate DD Form 2475 must be completed for each loan. Item 1.e. will indicate the loan number; ie., loan 1 of 3 loans, loan 2 of 3 loans, or loan 3 of 3 loans.

2. Self-explanatory. After completion and signature the servicemember will forward this form to the unit personnel records custodian or unit clerk.

SECTION II (To be completed by the unit clerk or personnel records custodian.)

3. a. - c. Self - explanatory.

d. Date this loan eligibility if payable (accession date plus 1 year)

4. Self - explanatory. After completion and signature, the personnel records custodian will forward this form to the address in item 1b.

SECTION III (To be completed by loan holder)

(Current loan holder should complete this section.)

5. A. - d. Self - explanatory

e. DATA SHOWS CONSOLIDATION. If multiple loans have been consolidated mark (x) “Yes” or “No” indicating consolidating action.

6. Self - explanatory

7. Self - explanatory

8. TYPE OF LOAN. Select from the list below: The loan qualify under the Higher Education Act of 1965, Title 4, Parts B and E; the Health Education Assistance Loan under Part C, Title VII, Public Health Service Act; under Part B, Title VIII, Health Professional Loans that the SECDEF determines to be critical to meet wartime medical skill shortages; or William D Ford Federal Direct Loan.

9. - 12. Complete based on original loan data.

13. Self - explanatory. After completion and signature, the loan holder will forward form to the address in items 3a. and 3b.

14. Enter any additional information you believe is necessary.

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097

GREAT LAKES HIGHER EDUCATION GUARANTY CORPORATION

Please Print neatly or type. Read the instructions carefully.

Borrow Section

1. Last Name Rich First Name Wanta MI B			2. Social Security Number 324-25-4556	
3. Permanent Street Address (If P O Box, see instructions) 200 Million St			4. Telephone Number 608-555-7115	5. Loan period (Month/Year) From: 8-99 To: 7-00
City Evergreen		State WI	Zip Code 54840	
6. Drivers License Number (List state abbreviation first.) WI W12347956789			7. Lender Name City State Zip Code	
8. Lender Code, if known			9. Date of Birth (Month/Day/Year) 12/31/79	

10. References: You must provide two separate references with different U.S. address. The first reference should be a parent or legal guardian (if living). Both references must be completed fully.

Name:	1. Sheila Best	2. Bill Meeh
Permanent Address	1033 Superior Ave	210 Working Dr
City, State, Zip Code	Loyal WI 54446	Tuckaway WI 53221
Area Code / Telephone	(608) 555-2341	(608) 555-6361
Relationship to Borrower	Mother	Grandfather

Loan Assistance Requested a. Subsidized Federal Stafford b. Unsubsidized Federal Stafford

11. I request the following loan type(s), to the extent I am eligible (see instructions):

12. I request a total amount under these loan types not to exceed (see instructions for loan maximums); My school will certify my eligibility for each loan type for which I am applying. The amount and other details of my loan(s) will be described to me in a disclosure statement. **\$ 3000.00**

13. If I check yes, I am requesting postponement (deferment) of repayment for my Stafford and prior SLS loan (s) during the in-school and grace periods. If I check no, I don't want to defer repayment. a. Yes, I want a deferment b. No, I do not want a deferment

14. If I check yes, I am requesting that the lender add the interest on my unsub-sidized Stafford and prior SLS loan(s) which accrues during the in-school and deferment periods to my loan principal (capitalized). If I check no, I prefer to pay the interest. a. Yes, I want my interest capitalized b. No, I prefer to pay the interest

15. If my school participates in electronic funds transfer (EFT). I authorize the school to transfer the loan proceeds received by EFT to my student account. a. Yes, transfer funds b. No, do not transfer funds

Promissory Note

Note, plus interest and other fees which may become due as provided in the Note. If I fail to make payments on this Note when due I will also pay reasonable collection costs, including attorney's fees, court costs, and collection fees. I understand I may cancel or reduce the size of any loan by refusing to accept any disbursement that is issued. I understand that this is a Promissory Note and the borrowers Rights and Responsibilities. My signature certifies I have read, understand, and agree to the terms and conditions of the Application and Promissory Note, including the Borrower Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities statement.

THIS IS A LOAN (S) THAT MUST BE REPAYED.

Wanta B Rich Today's Date (Month/Day/Year) **2/25/99**

16. Borrower's Signature **Wanta B Rich** Today's Date (Month/Day/Year) **2/25/99**

SCHOOL SECTION **To be completed by an authorized school official.**

17. School Name Western WI Technical College	23. School Code/Branch 0038400	28. Telephone Number ()
18. Street Address Attn Financial Aid Office	24. Cost of Attendance \$ 6838.00	29. Recommended Disbursement Date (s) (Month/Day/Year) 1 st 09/16/99 2 nd 01/05/00
City LaCrosse State WI Zip Code 54603	25. Federal Expected Family Contribution \$ 4213.00	3 rd 4 th
19. Loan Period (Month/Day/Year)	26. Estimated Financial Aid 1300.00	30. School Certificate (See box on the reverse side)
20. Grade Level	27. Certified Loan Amounts a. Subsidized \$.00	Signature of Authorized School Official
21. Anticipated Completion (Graduation) Date (Month/Day Year))	2625.00	Print or Type Name and Title
22. Enrollment Status (Check One)	b. Unsubsidized \$.00	

Date Check box if electronically transmitted to guarantor

LENDER SECTION **To be completed by authorized lending official**

31. Lender Name GLHEC	32. Lender Code/Branch	33. Telephone Number	34. Lender Use only
Street Address PO Box 7987	35. Amount (s) approved a. Subsidized \$ 2625.00 b. Unsubsidized \$.00		
City Madison State WI Zip Code 53707	36. Signature of Authorized Lending Official <i>CO BANKER</i>		Print or Type Name, Title, and CO Banker, LO

HOW ENTITLEMENTS WILL BE DISBURSED.

The total amount of money available to you under SLRP depends on your MOS. Most MOS's qualify for \$10,000 in loan repayment. However, there are some critical MOS's that qualify for \$20,000. You should know whether your MOS qualifies for \$10,000 or \$20,000 in student loan payments at the time you sign your contract.

Your SLRP amount, either \$10,000 or \$20,000 is the maximum that can be paid on your student loans by the Army Reserve. It does not necessarily mean that you will receive the whole amount during this one contract. Nor does it mean that you will never have to make any payments on your student loans. It just means that there is the potential for that much money to be paid. The amount you actually receive depends on how many student loans you have and how old they are. You must remain a reservist in good standing to continue this entitlement.

Remember, your maximum SLRP amount is the total for your entire Reserve/NG military career. It is not a maximum per contract. Effective 28 Feb 92, if you are eligible for \$10,000 in loan repayment that amount will not be increased to \$20,000, when you sign another contract under a critical MOS. Keep in mind, too, that if you change your MOS your SLRP amount could be reduced or terminated.

IS THE ENTITLEMENT DISBURSE AT ONCE?

Each year a portion of your student loans will be repaid to the financial institution. The amount paid each year is 15% of the original amount of your student loans plus the accrued interest and capitalized interest, if annotated on the DD2475. The minimum payment for a full year is \$500.00 or the balance of the loan, whichever is less. The maximum payment is \$1,500.00 plus interest. For the \$20,000 MOS's the maximum payment is \$3,000.00 plus interest.

It helps if you think of SLRP as a pie. With SLRP you have a pie worth \$10,000 or \$20,000. Each year you are eligible to have a piece of the pie given to your loan holders. If you have more than one loan holder, your piece of the pie will be divided among the loan holders, provided all notes are submitted at one time.

For examples, see AR 135-7 Table B-1 page 38-39.

WHEN ARE SLRP PAYMENTS MADE?

SLRP payments are made each year after soldier signs his Student Loan Addendum. For example, if you signed your contract May 15, 1994, you would be eligible for a payment each May 15, provided that you had a qualifying student loan and continued to perform in a qualifying MOS.

Your student loan must be a year old on your anniversary date in order to be eligible for a payment.

For example:

Let's say you have a \$2000 loan that will be 6 months old on your 1995 anniversary (May 15). No payment will be made in 1995. On your 1996 anniversary a full payment will be made for 96 and a six month prorated payment will be made for 95. A partial year payment will only be made with a full year payment.

SLRP payments are based on your status as a Reserve Soldier. The Army Reserve makes a payment for each year of satisfactory service that you complete. This is true even if you are still in school and the loans are not in repayment yet. Do not wait until you graduate.

If you do wait until you graduate to submit your loans and you have been eligible for SLRP for the 4 years you were in school, the Army Reserve will make the back payments. In other words, 4 payments will be made at once. However, it is best to submit once a year for payments and avoid this situation as well as a large tax bill.

WHO GETS THE MONEY?

SLRP payments are made directly to the bank or loan holder. Payments are not made to you. In addition, any money you pay towards your student loans will not be repaid to you by the Army Reserve. It is in your interest to work with your loan holder. If at all possible, get the loan holder to accept one principal payment per year. If your loan holder still wants payments from you, try to make the minimum payment that the loan holder will accept.

It is important to note that SLRP payments are taxable income. The money paid on your student loans will be reported to the Internal Revenue Service as part of your Reserve income. You should receive a separate W-2 for your SLRP entitlement. This is another reason to submit the paperwork each year for SLRP. If you wait until you graduate and then submit for 4 payments in one year, you will be taxed on all that extra money at once. On the other hand, yearly SLRP payments will have a much smaller impact on your taxable income.

CAN SLRP BE TERMINATED?

SLRP can be terminated at any time for a variety of reasons. The most common reason is for separating from the Selected Reserve. If you are discharged or transferred to the IRR your incentive terminates. If you return to the Selected Reserve, you can only reinstate SLRP by meeting the eligibility requirements all over again and by executing a new Student Loan Addendum on your enlistment/reenlistment. This only continues the entitlements. It does not establish another \$10,000 or \$20,000.00 entitlement.

If you transfer to the IRR for personal cogent reasons, this would be an authorized period of non availability. SLRP would be suspended. If you return to the Selective Reserve within 12 months, you can reinstate SLRP by extending for the time in the Control Group. The extension must be signed within 30 days, providing the unit has your 201 file. If you transfer, because you are "unsat" SLRP terminates and can never be reinstated.

It is important to remember that if you change your MOS or transfer out of a bonus unit, SLRP incentive could be terminated (unless for normal career progression). You need to be certain that you understand how any changes to your Reserve Status can impact your SLRP participation.

For more information refer to chapter 5.1-6, AR 135-7, Terminations or see Termination Section of your DA 5261-4-R SLRP Bonus Addendum.

NATIONAL GUARD SOLDIERS WHO TRANSFER TO THE RESERVE

If a soldier received SLRP while in the National Guard, does he/she continue to be eligible upon transfer to the Reserve?

- The Army Reserve will honor National Guard Student Loan Addendums for soldiers who transfer to the Reserve prior to 15 May 96. Soldiers who transfer from National Guard to Reserve must provide copies of SLRP payments or statement of non-payment from the National Guard.
- Payments will only be made for the time the soldier serves in the Reserve. The National Guard would have to make any payments due during the soldier's tenure in that component.
- The Army Reserve will not honor National Guard Student Loan Addendum for soldiers who transfer to the Reserve on or after 15 May 96.. Those soldiers will be required to meet the eligibility requirements and execute a new Student Loan Addendum upon enlistment into the Army Reserve.

WHAT SHOULD I TELL THE BANK?

You should inform your bank or loan holder that you are participating in the SLRP. You should work with them and, if at all possible, make arrangements to postpone any payments until the Army Reserve makes its payment. This way you will receive the maximum SLRP benefit and at the same time ensure your loan does not become delinquent.

Keep in mind that you are ultimately responsible for repaying your student loans. Being a SLRP participant does not relieve you of that responsibility. Do not ignore your lender just because “the Army is going to pay.” Do not let your loans become delinquent or go into default. If you do, your credit rating will be negatively affected. You could be denied consumer credit, such as a car loan or a mortgage because of delinquent or defaulted student loans.

There are a few important terms you should know and understand when dealing with your bank or loan servicer. These are: deferment, forbearance, capitalized interest, and advance payment. The next few pages will explain these terms and how they interact with SLRP.

CAN I GET A DEFERMENT?

A deferment is an approved postponement of payment on a student loan for a specific period of time. During a deferment, interest does not accrue on subsidized Stafford and Perkins loans. Interest does accrue on unsubsidized Stafford Loans, Supplemental Loans for Students (SLS) and Parent Loans for Undergraduate Students (PLUS). You may be required to make interest payments during the deferment period on these loans.

The Department of Education has established specific criteria or requirements for deferment. If you meet the criteria, the loan holder must grant a deferment. On the other hand if you do not meet the criteria a loan holder cannot give you a deferment. The most common types of deferment are: in school, unemployment, and economic hardship. In some cases, active military duty also qualifies for a deferment. However, Reserve service, which is not active duty, does not qualify for a military deferment. Talk to your lender about a deferment if you think you are eligible. If you are not eligible for a deferment then you should seek forbearance.

WHAT IS FORBEARANCE?

Forbearance is an approved postponement of payment on a student loan for a specific period of time. Forbearance is usually granted for 3 to 6 months at a time. At the end of 6 months, you must request another forbearance.

Forbearance is generally granted to someone who is “willing but unable to pay” as a way of preventing delinquent and defaulted student loans. You must keep in mind that forbearance is granted at the discretion of the lender or loan servicer. The loan holder does not have to grant forbearance and if the lender will not grant forbearance, you will be required to make payments on your student loans even though the Government will not reimburse you.

During periods of forbearance, interest accrues on all loans and you are responsible for paying it. Usually, when forbearance is granted lenders require the interest be paid either monthly or quarterly. In some cases, the lenders will agree to capitalize the interest. Under these circumstances, the interest that accrues during that time is calculated and added to the principal. This is called capitalized interest. For example, if you have a PLUS loan for \$4000 and you choose to capitalize the interest for one year, the amount of interest that accrues on that loan during that one year, (\$250.00 e.g.), would be added to the principal. Your principal balance would now be \$4,250.00. From that point on, the amount of interest due will be calculated on this amount.

Keep in mind that the Reserve calculates its yearly payment on the original principal balance of the loan. The payment is not calculated on the capitalized principal balance. Capitalized interest will be paid as long as it is indicated in Section III of the DD2475. If capitalized interest is not reported as interest, it will not be paid by the Army and you will ultimately be responsible for payment.

Remember, all requests for deferment or forbearance must be made by you, not your unit, and the request must be made in writing. Ask your lender for a deferment or forbearance application. Also, you are required to keep making payments until you receive written notification from your bank or loan servicer that a deferment or forbearance has been granted. If you stop making payments before a deferment or forbearance has been granted, your loans could become delinquent or go into default.

CAN I STOP MAKING LOAN PAYMENTS?

You should request that the lender or loan servicer use the Army Reserve payment to replace your monthly student loan payment. Lenders usually call this “prepaying the loan” or “advancing the payments.” In other words, you must request that the lender spread the Army’s payment out over time so that you do not have to make the payments. For example, if you are paying \$70 per month on your student loan and the Army Reserve makes a payment of \$700, you should request that your payments be advanced ten months. It is very important that you make this request. If you do not, your lender is required by Department of Education regulations to apply the SLRP payment in full to your next payment. Under these circumstances the Army’s payment would count as 1 payment and you will have to continue making monthly payments.

If the Army’s payment does not cover the entire year you have two options. You can make the remaining payments or you can request forbearance until the Army makes another payment. In the example given above, the Army’s payment covers 10 months so you could make two payments yourself or you could request forbearance for 6 months until the Army makes another payment. It is your responsibility to make these arrangements with your lender or loan servicer. Your request for advance payment, like requests for deferment and forbearance, must be made in writing.

WHAT ARE MY RESPONSIBILITIES?

SLRP is a great educational benefit. However, in order for it to work, you must take the initiative and accept a certain amount of responsibility. Some guidelines to follow are:

- Keep good records. Get good, legible copies of your promissory notes. Give a copy of them to your unit and keep a copy at home even when consolidating keep a copy of the original promissory note.
- Keep your unit updated on how many student loans you have, what kind they are and how much they are for.
- Remind the unit that your anniversary is coming up and that you are eligible for a SLRP payment.
- Work with your unit to complete the DD Form 2475. You must complete Section I to include account numbers and the names and addresses of your loan holders.
- Keep copies of all correspondence you receive from your lenders.

You should also keep copies of everything you send to your lenders.

- Send the DD Form 2475 to the loan holder yourself for completion of Section III. Give the completed forms to the unit for final processing and forwarding to Ft. McCoy.
- Check with your unit on the progress of your paperwork frequently, do not assume that it is all taken care of.
- Written correspondence will be sent to your unit when your paperwork has been processed by Fort McCoy.
- Work with your loan holders. Keep them informed of your participation in the SLRP. Do not ignore the letters and calls. Respond to them, preferably in writing. Keep copies of all correspondence.
- Do not let your loans become delinquent and go into default. Request a deferment or forbearance, whichever is appropriate.

A FINAL WORD

Remember, be proactive and show some initiative. Be a responsible soldier/student/borrower.

Help your unit administrator. With your cooperation, the unit can process your SLRP paperwork. Your SLRP payments will then be handled in a timely fashion and you will get the payments you deserve.

Work with your loan holders and keep them informed on the payment process. This way your loans will remain current and you will establish (and maintain) good credit.

Remember if you have a problem with your student loan be sure to contact your UA or if no UA is available go through your RSC. Use your chain of command wisely.

With a little effort, the SLRP can and will work for you!

This brochure was originally prepared by Dr. Rosemary K. Torpey, Education Services Specialist, 94th Army Reserve Command and edited by Mr. Robert S. Drake, Education Services Specialist, 89th Regional Support Command. Revisions have been made by the Student Loan Team at Fort McCoy, WI .

RECRUITER AND RETENTION NCO HIRING FAIR: The Retention/Transition Office in conjunction with OCAR-RTD will host an AGR Recruiter and Retention NCO Hiring Forum May 17-19 in Harrisburg, PA at the Hilton Inn. Check in will be between 1600-1900 hours on Friday 17 May 2002. If arriving by Air arrange flights home for after 1500 hrs 19 May. When arriving at the Hotel inform them that you are there for the Reserve Hiring Fair. Spouses are invited at no cost. It is for all eligible TPU soldiers interested in applying for a 3 year AGR tour. E4's and E-5s must have completed PLDC. E6's or E7's - must have at least phase one of their appropriate BNCOC/ANCOC. Applicants must meet Ht/WT standards, have a current physical within two-(2) years, if a current physical is not on record a physical will be arranged for. An APFT within the current year, GT score of at least 100, no more than 13 years Active Federal Service (waiverable), less than 40 years of age (waiverable), meet dependency requirements and can not have had a bankruptcy within the last 5 years or it must be cleared. Applicants will attend in an RST status, fund code: AR, duty purpose: AGR Hire Mission. Make sure all RFO's are submitted before 14 May 2002. Duty uniform will be Class A and B. APFT uniform will be required if a physical is needed. Prior to making arrangements to attend the hiring fair contact the Retention Office. [SSG Gorzynski, 412-604-8456]

NEW RETENTION NCOs: If your reserve center is targeted to receive an AGR RTNCO, please welcome them to your facility. [MAJ Robinson, 412-604-8276]

10. SAFETY



Ms. Margaret Giller
(AFRC-CPA-SA)

INSPECTIONS: The following inspections are planned for April and May 2002: AMSA 23G, 31G, 1116G and Musselman Memorial USARC, North Penn USARC, and the 1185th TTB (Safety Program review)[Mrs. James, 412-604-8179]; ECS 88G, Ft. Pickett USARC. [Mr. Rowe, 412-604-8181]

TRAINING STUDENTS NEEDED: Radiation POC training for unit supply and NBC personnel will be held on the following three dates: 6 May, Richmond, VA; 8 May 02, Ft. Meade, MD; and 10 May 02, Philadelphia. Rock Island (AMC) will present this course; it will cover Storage, Handling and Transportation Safety. This office will pay TDY or RPA funding. [Mr. Fleming, 412-604-8180]

OTHER ACTIVITIES: Federal Occupational Health personnel will continue to perform Industrial Hygienic visits to AMSA/ECS shops. The next schedule visits are AMSA 102G, (Clarksburg, WV), ECS 88G (Ft. Pickett) and ECS 103G (Geneva, PA) [Ms Giller, 412-604-8178]

11. STAFF JUDGE ADVOCATE



Colonel Kenneth J. Hanko
(AFRC-CPA-JA)

LEGAL ASSISTANCE

NAME CHANGE AND OFFICIAL ARMY PERSONNEL RECORDS: Usually, a person may change his recorded name by following State law. In most States, statutes establish a specific method to change a name normally by filing an application and receiving court approval. Want to know the legal requirements to change your name because of divorce, adoption, or another reason? One web site that collects existing individual State laws on this subject is Namechangelaw.com, a collection of State name change law information and links to State Name change Laws.

In some States, the name change laws do not prevent an individual's common law right to change his name without resorting to a judicial proceeding. Often, however, the best practice is to use the statutory method since it establishes the new name as a matter of record and the court order documents the name change legally. This is particularly important when applying for government benefits. For example, one may not receive Social Security benefits under a new name unless a court has approved the name change or it otherwise complies with applicable state law (e.g., an administrative procedure). Name changes are not approved if a change interferes with the rights of others or is for a wrongful or a fraudulent purpose. Army Regulation 600-8-104, Military Personnel Information Management/Records, Chapter 6, Section VIII, outlines Army procedure and documentation requirements (e.g., marriage certificate, naturalization certificate, court order) for changing an individual's name in official Army records. [CPT Dupon, 412-604-8259]

ADMINISTRATIVE AND CIVIL LAW

DOD EMPLOYEES' GUIDE TO STANDARDS OF CONDUCT: The DOD Standards of Conduct Office (SOCO) has prepared a concise guide to standards for conduct for DOD employees (both civilian and