9.2 Cancellation Provisions

Policy Statement
The Bursar’s Office Division will maintain compliance with the Federal Regulations and Promissory notes for cancellation provisions for loans.

Reason for policy
The Bursar’s Office Division Cancellation Provisions policy is needed to ensure borrower who work or serve in certain fields find relief from loan repayment with service performed in certain fields.

Procedures
The Federal Perkins Loan program has Federal Regulations which determine the types of service cancellable provisions for the loan program. University long-term loans and University short-term loans do not have any service cancellable provisions. A Federal Perkins Loan service cancellation provision allows up to 100% of the original principal loan amount to be cancelled if the borrower performs a year of qualified service and or employment in certain fields of work. The cancellation rate for each benefit is listed with its description below. Loans may be placed in a deferred status during periods of time while the borrower is performing service eligible for cancellation. Interest does accrue during this period. No repayment amounts can be canceled for services performed prior to the date the loan was disbursed or during the enrollment period covered by the loan. The qualify service must be performed after receiving the loan. Any payments made by a borrower during a period for which the borrower qualified for cancellation cannot be refunded. It is the borrower’s responsibility to file the request for deferment and or cancellation on a timely basis. Failure to submit the deferment and or cancellation forms by the due dates on the loan may result in the reporting of past due information to the Credit Bureau on the account. Each cancellation provision has different criteria borrowers must meet in order to receive the cancellation benefit. Borrowers may request a form by contacting our office or visiting our website, [http://busfin.uga.edu/bursar/bursar_loan_servicing_forms/](http://busfin.uga.edu/bursar/bursar_loan_servicing_forms/).

Child or Family Agency Service: A full-time employee of an eligible public or private non-profit child or family service agency who is directly providing or supervising the provision of services to high risk children who are from low income communities and the families of such children. Cancellation rate is 15% of the original principal loan amount for each of the first and second years of service, 20% of the original principal loan amount for each of the third and fourth years of service, and 30% of the original principal loan amount for the fifth year of service.

Early Childhood Education Program Service: A full-time staff member in the educational component of a Head Start program or a full-time staff member in a pre-kindergarten or child care program that is licensed or regulated by the State. The program must be operated for a period comparable to a full school year and must pay a salary comparable to an employee of a local educational agency. Cancellation rate is 15% of the original principal loan amount for each year of service completed.

Early Intervention Service: A full-time qualified professional provider of early intervention services in a public or other nonprofit program under public supervision by a lead agency as authorized by section 632(5) of the Individuals with Disabilities Education Act. Early Invention services are provided to infants and toddlers with disabilities. Cancellation rate is 15% of the original principal loan amount for each of the first and second years of service, 20% of the original principal loan amount for each of the third and fourth years of service and 30% of the original principal loan amount for the fifth year of service.

Firefighter Service: A full-time firefighter for a local, State, or Federal fire department or fire district. Cancellation rate is 15% of the original principal loan amount for each of the first and second years of service, 20% of the original
principal loan amount for each of the third and fourth years of service, and 30% of the original principal loan amount for the fifth year of service.

**Law Enforcement Service:** A full-time law enforcement officer for an eligible local, State, or Federal law enforcement agency. Cancellation rate is 15% of the original principal loan amount for each of the first and second years of service, 20% of the original principal loan amount for each of the third and fourth years of service, and 30% of the original principal loan amount for the fifth year of service.

**Librarian Service:** A full-time librarian who has a master’s degree in library science and is employed in an elementary or secondary school that is eligible for assistance under part A of title I of the Elementary and Secondary Education Act of 1965, or who is employed in a public library that serves a geographic area that contains one or more such schools. Cancellation rate is 15% of the original principal loan amount for each of the first and second years of service, 20% of the original principal loan amount for each of the third and fourth years of service, and 30% of the original principal loan amount for the fifth year of service.

**Military Service:** A member of the Armed Forces of the United States in an area of hostilities that qualifies for special pay under section 310 of Title 37 US Code. For qualifying service that ended before August 14, 2008 can cancel up to 50% of the original principal loan amount and a cancellation rate 12.5% of the original principal loan amount for each year of service completed. For qualifying service that began on or after August 15, 2008 can cancel up to 100% of the original principal loan amount and a cancellation rate of 15% of the original principal loan amount for each of the first and second years of service, 20% of the original principal loan amount for each of the third and fourth years of service, and 30% of the original principal loan amount for the fifth year of service.

**Nurse or Medical Technician Service:** A full-time nurse or medical technician providing health care services. Cancellation rate is 15% of the original principal loan amount for each of the first and second years of service, 20% of the original principal loan amount for each of the third and fourth years of service, and 30% of the original principal loan amount for the fifth year of service.

**Peace Corp or Americorp*VISTA Volunteer Service:** A volunteer under the Peace Corps Act or a volunteer under the Domestic Volunteer Service Act of 1973 (ACTION programs). For qualifying service, borrowers can cancel up to 70% of the original principal loan amount at a cancellation rate of 15% of the original principal loan amount for each of the first and second years of service and 20% of the original principal loan amount for each of the third and fourth years of service.

**Public Defender Attorneys Service:** A full-time attorney employed in a defender organization established in accordance with section 3006A(g)(2) of title 18, US Code. Cancellation rate is 15% of the original principal loan amount for each of the first and second years of service, 20% of the original principal loan amount for each of the third and fourth years of service, and 30% of the original principal loan amount for the fifth year of service.

**Speech Pathologists Service:** A full-time speech language pathologist who has a master’s degree and who is working exclusively with schools that are eligible for assistance under title I of the Elementary and Secondary Education Act of 1965. Cancellation rate is 15% of the original principal loan amount for each of the first and second years of service, 20% of the original principal loan amount for each of the third and fourth years of service, and 30% of the original principal loan amount for the fifth year of service.

**Teacher Service:** (1) A full-time teacher in a public or other non-profit elementary or secondary school or in a school or location operated by an educational service agency that has been designated by the Department in accordance with the provisions of section 465(a)(2) of the Act as a school with a high concentration of students from low income families. An official Directory of designated low income schools and locations operated by educational services agencies is published annually by the Department. (2) A full-time special teacher in a public or other non-profit elementary or secondary school system, including a system administered by an educational service agency (3) A full-time teacher in a public or other non-profit elementary or secondary school system who teaches mathematics, science, foreign languages, bilingual education or any other field of expertise that is determined by the State Department of Education to have a shortage of qualified teachers in that State. Cancellation rate is 15% of the original principal loan amount for each of the first and second years of service, 20% of the original principal loan...
amount for each of the third and fourth years of service, and 30% of the original principal loan amount for the fifth year of service.

**Tribal College or University Faculty Member Service:** A full-time faculty member at a tribal college or university as defined in the Higher Education Act Section 316 of title 20, US Code. Cancellation rate is 15% of the original principal loan amount for each of the first and second years of service, 20% of the original principal loan amount for each of the third and fourth years of service, and 30% of the original principal loan amount for the fifth year of service.

**Forms/Instructions**
- Deferment or Partial Cancellation Certification Form:
  - [http://www.busfin.uga.edu/bursar/ls_deferment_cancellation.pdf](http://www.busfin.uga.edu/bursar/ls_deferment_cancellation.pdf)
- Teacher Cancellation Low Income Directory:
- UGA Perkins Loan Information:
  - [http://busfin.uga.edu/bursar/bursar_perkins_loan/](http://busfin.uga.edu/bursar/bursar_perkins_loan/)

**Additional contacts**
- Michele Sellers
  - Phone Number: 706-542-2965

**Policy definitions**
- **A Year of Qualified Service:** Twelve consecutive months of service where the borrower must work full-time.

**Responsibilities**
- Responsible University Senior Administrator: Vice President for Finance & Administration
- Responsible University Administrator: Associate Vice President - Finance Division
- Policy Owner: Bursar’s Office Division
- Policy Contact: Michele Sellers
  - Phone Number: 706-542-2965

**Record Retention**
This series documents payments, adjustments, draw advances, address and status changes, cancellations, deferments, and postponements on borrower's accounts.

**Retention:** 5 years after loan is paid, **BOR 0472-06-015**
**Federal Code:** 34 C.F.R. 674

**Related information**
- Elementary and Secondary Education Act of 1965:
  - [http://www2.ed.gov/policy/elsec/leg/esea02/beginning.html](http://www2.ed.gov/policy/elsec/leg/esea02/beginning.html)
- Higher Education Act:
- Individuals with Disabilities Education Act:
- United States Code:
## Policy Dates

**Effective Date:**

Date Last Updated: 05/12/2017

Date of Last Review:

Date of Approval:

Previous Version of Policy: