

The Free Application for Federal Student Aid (FAFSA) matches your financial aid history against the National Student Loan Data System (NSLDS) records. Based on the results of the NSLDS match, you are not eligible for federal financial aid at this time because of one or more of the situations indicated below. Please follow the steps listed below to resolve the issue.

Loan Default

Your financial aid records indicate that you are in default on one or more of your student loans. You must contact the loan servicer that holds your defaulted loan and make arrangements to resolve the default. Once resolved, you must have your loan servicer submit a letter to us that states that your default has been resolved. To obtain the contact information for your loan servicer, please login with your FSA ID at <https://studentaid.ed.gov>.

Overpayment

You owe a refund on a federal grant overpayment. You must contact the agency that holds your overpayment and make arrangements to resolve it. Once resolved, you must have the holder of the overpayment submit documentation to us that states that your overpayment has been resolved. To obtain the contact information for the agency that is holding your overpayment, please login with your FSA ID at <https://studentaid.ed.gov>.

Bankruptcy

If a student includes a defaulted loan in an active bankruptcy, he or she is not eligible for aid unless he or she can provide a statement from the loan holder stating that the debt is dischargeable due to the bankruptcy. Such a statement would make the student Title IV eligible. If the borrower cannot provide such a statement, then the borrower remains ineligible for Title IV aid unless he or she clears the defaulted loan by paying the loan in full or by using satisfactory repayment arrangement or loan rehabilitation. If a borrower includes a loan in an active bankruptcy that is not in default, the student is eligible to receive Title IV aid even if collection of the loan has been stayed.

Total and Permanent Disability (TPD) Discharge

Qualifying for TPD Discharge: Perkins, FEEL, and Direct Loan borrowers may qualify to have their loans discharged if they become permanently disabled. Except for veterans who qualify for a total and permanent disability (TPD) discharge based on a determination by the Department of Veterans Affairs (VA) that they are unemployable due to service-connected disability, the Department of Education monitors the status of borrowers who have received a TPD discharge for a three-year period.

If a borrower whose prior loan was discharged due to a total and permanent disability wishes to take out another FSA loan, he must obtain a physician's certification that indicates he or she has the ability to engage in substantial gainful activity, and he or she must sign a borrower statement acknowledging that the new FSA loan cannot be later discharged for any present impairment unless it deteriorates so that he or she is again totally and permanently disabled.

Please submit the required documentation to the NSCC Financial Aid Office.