Defaulted Loan Status

Gatton College of Pharmacy’s Financial Aid Office has been notified that the current status of your student loan(s) is DEFAULT.

Who sends the Default notification?
Notification of default comes from any of the agencies that track student loan history – the National Student Loan Default System (NSLDS), U. S. Department of Education, or other federal and state educational lending agencies. A student loan can be placed into default at any time. By Federal regulation, the FAO is required to adhere to the written information received.

How does default happen?
Default happens when a student fails to repay a loan according to the terms agreed upon when he/she signs a promissory note or made payment arrangements with the lender.

How does default affect my financial aid?
Any student who is in default does not receive any financial aid. A student who defaults on a student loan whether it is before they start classes or after is no longer eligible for Federal or State financial aid programs.

To restore your eligibility to receive additional Title IV federal financial aid you must complete ONE of the five options:

1. Repay or satisfy the loan in full; or

2. Make six agreed-upon monthly payments over a six month period. Your payment amount must be approved in advance by the Department of Education. Every qualifying payment must be timely (received before the due date) and you cannot make all six payments as a single lump sum payment. Once your eligibility to receive additional federal financial aid has been restored after making six consecutive monthly payments, you must continue to make timely monthly payments to maintain your eligibility or else it will be permanently lost until the debt is resolved entirely. You may qualify for this program only once; or

3. Consolidate your loan through the direct loan program; or

4. Rehabilitate your loan through the loan rehabilitation program; or

5. If your loan status is listed as default and you have paid the loan in full, request a Default Resolution Letter for each loan to submit as verification of your Paid-in-Full status

You must call the U.S. Department of Education’s Default Hotline: (800) 621-3115 to complete one of the options above.