

MILITARY SERVICE CANCELLATION

Payments on Federal Perkins student loans may be cancelled for military service. To determine if your loan type is eligible, please refer to the [student loan eligibility guide](#). If your loan is eligible for cancellation, the account will be placed in deferment status and you will not receive a loan billing statement during that period of time.

After completion of one (1) full year of military service in an eligible area, a percentage of your loan will be cancelled. To determine the percentage of cancellation for each year of service, please refer to the [cancellation rate chart](#).

Eligibility

To qualify for military service cancellation, you must be enlisted in the U.S. Armed Forces and assigned to an **area of hostility or an area of imminent danger** that qualifies for special pay under Section 310 of Title 37 of the U.S. Code. Additionally, your account must be paid to the start of your cancellation period.

Applying for a Military Service Cancellation

Once you become a full-time member of the military, there are two (2) ways to apply for a military service cancellation:

1. Print and complete a **deferment application for partial cancellation** (*Information & Forms page*) and return it to our office at the following address:

Office of Student Loans and Scholarships
108 Shields Building
University Park, PA 16802

2. Contact our office by letter or via the [Web](#) with the following information:
 - a. full name, address, and phone number of your current employer
 - b. date you were hired full-time
 - c. detailed description of your duties

Once your deferment application for partial cancellation is received, our office will send you a notification of eligibility. If you are eligible, you will be notified of your deferment coverage and a cancellation form(s) (*Information & Forms page corresponding to the type of cancellation*) will be enclosed. Please submit your cancellation form(s) approximately one (1) month prior to the expiration of your deferment.

Once your completed and certified cancellation form(s) is returned to our office, it will be reviewed for final approval. Once approved and your outstanding balance has been reduced through cancellation, you will receive a notification letter and a new cancellation form(s) from our office. Your loan(s) will be automatically deferred for the following year, pending the completion and submission of the new cancellation form(s).

Termination of Employment

If your employment is terminated for any reason, you will receive a grace period of six (6) months from the date of termination. Principal and interest will not accrue during the grace period. Upon termination, please contact our office immediately for further information.

What are my options if I am not eligible for a Military Service Cancellation?

If your loan is not eligible for a military service cancellation and you are unable to meet your scheduled payments, you may apply for an [economic hardship deferment or forbearance](#).