



A Division of the New York Legal Assistance Group

LegalHealth
Professional Partnership to Promote Well Being

This is general information, not legal advice. Patients should consult an attorney for specific guidance.

Federal Student Loan Discharges

Patients who have federal student loans *and* are disabled may be eligible for a student loan discharge.

How do you know if a patient is considered disabled by the Department of Education?

A patient can establish disability in 3 ways:

1. The patient receives Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) benefits and does not have a disability review scheduled within 5 to 7 years. If the patient's award letter does not state when their next disability review is, they should go to their local Social Security office to ask for a benefit planning query.
2. The patient is a veteran of the United States military and has a service connected disability rating of 100% or has been found unemployable due to a service connected disability.
3. If the patient does not meet the above criteria, the patient can have their doctor complete page 2 of the disability loan discharge form (<http://www.disabilitydischarge.com/Forms/>). The doctor must certify that the patient is not capable of taking part in any significant gainful activity due to a medically diagnosed physical and mental impairment that : 1) can be expected to result in death; 2) has lasted for a continuous period of not less than 60 months; or 3) is expected to last for a continuous period of not less than 60 months.

How does a patient apply?

- Patients can apply by visiting www.disabilitydischarge.com and clicking on **apply now** or by calling (888) 303-7818. An application can be submitted by mail or online. After the initial application has been filed, proof of the disability (doctor's certification, SSDI/SSI award letter, or VA compensation letter) must be submitted to the loan servicer.

Are there other circumstances that may allow patients to discharge student loan debt?

- Yes, the Department of Education may allow a student to discharge student loans if his/her school closed **while** attending, refused to pay refunds, or falsely certified certain information. For more information, visit www.studentloanborrowersassistance.org or call (855) 279-6207. If a patient is seeking discharge of a student loan on a non-disability ground, they should schedule an appointment for the hospital's LegalHealth clinic.

IMPORTANT

Student loan discharges are counted as taxable income in the year in which they were discharged. Following discharge, a 1099 tax filing form will be issued to the patient. The patient should consider the tax implications before filing for a student loan discharge.

More questions? Refer patients for appointments with a LegalHealth attorney to discuss their cases.