

## Loan Discharge Certification

This form serves to reestablish your eligibility for Federal Student Loan Programs when prior loans have been discharged due to total and permanent disability. It is used to obtain a physician's certification and a borrower's acknowledgment. The purpose is to have a licensed physician certify that the borrower is able to engage in substantial gainful activity and to have the borrower acknowledge that any federal student loans received as a result of this physician's certification cannot be canceled based on any present impairment or condition, unless that impairment or condition substantially deteriorates to the extent that the definition of total and permanent disability is met. This form will allow the borrower to qualify for additional loan(s) under one or more of the following Federal Direct Loans Programs: Stafford Loans (subsidized and unsubsidized), PLUS Loans for Undergraduate Students, PLUS Loans for Graduate Students.

In order to receive new federal loans, you will need to:

1. Complete the **Borrower Acknowledgement after Disability Discharge** section. This acknowledgement needs to be completed each year that you receive a new federal loan.
2. Submit the **Physician's Certification of Borrower's Ability to Engage in Substantial Gainful Employment** to Briar Cliff University's Office of Financial Aid.

### **Borrower Acknowledgement after Disability Discharge**

I acknowledge that:

1. I am applying for one or more federal loans or TEACH grants.
2. I currently have the ability to engage in substantial gainful activity as defined above in order to repay the new loans and/or fulfill the TEACH Grant service obligation.
3. Any federal loan(s) or TEACH grant(s) I receive as a result of a physician's certification of my ability to engage in substantial gainful activity **cannot** be discharged based on any present impairment unless that present impairment or conditions deteriorates so that I again meet the definition of having a total and permanent disability; **AND**
4. If I request a new loan or TEACH Grant during the post-discharge monitoring period or conditional discharge period, I must resume payment on the old loan before receipt of the new loan or TEACH Grant.

Section to be completed by borrower. Please print.

**Student Name** \_\_\_\_\_

**Student ID** \_\_\_\_\_ **Phone** \_\_\_\_\_

**Borrower Certification:** By signing this form, I am certifying that I have read the above Borrower Acknowledgment statement.

**Student/Borrower Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

## Physician's Certification of Borrower's Ability to Engage in Substantial Gainful Activity

### Section I (to be completed by Student)

Student's Name \_\_\_\_\_ Student ID \_\_\_\_\_

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#### Consent for Release of Information

By signing this form I authorize any physician, hospital or other institution having records pertaining to the disability for which I had a loan(s) discharged to make information from such records available to the South Dakota State University Office of Financial Aid and Scholarships.

Student/Borrower Signature \_\_\_\_\_ Date \_\_\_\_\_

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### Section II (to be completed by the certifying Physician)

#### Physician Instructions

1. You may complete this form for the borrower only if you are a Doctor of Medicine or Doctor of Osteopathy legally authorized to practice in your state.
2. You are being asked to complete, sign, and date this form to certify whether the borrower does or does not meet the definition of total and permanent disability. Check the box beside the statement applicable to the borrower's condition.

#### Physician's Certification (check one):

- ☐ I certify that in my professional medical judgment, the patient/borrower named above is able to engage in substantial gainful activity (refer to Physician's Instructions).
- ☐ In my professional medical judgment of the patient/borrower named above, I CANNOT certify that he/she is able to engage in substantial gainful activity (refer to Physician's Instructions).

Date borrower became able to work and earn wages (MM/DD/YYYY) \_\_\_\_\_

Name of Physician \_\_\_\_\_ Phone \_\_\_\_\_

State Legally Authorized to Practice Medicine \_\_\_\_\_

Physician Signature \_\_\_\_\_ Date \_\_\_\_\_

Physician's License Number \_\_\_\_\_

## General Information

This form is used to obtain a physician's certification and a borrower's acknowledgment. The purpose is to have a licensed physician certify that the borrower is able to engage in substantial gainful activity\* and to have the borrower acknowledge that any federal student loans, or any service obligations for TEACH Grants, received as a result of this physician's certification cannot be discharged based on any present impairment or condition, unless that impairment or condition substantially deteriorates to the extent that the definition of total and permanent disability is met. This form will allow the borrower to be considered for new loan(s) under one or more of the following federal loan programs: Direct Subsidized Loan; Direct Unsubsidized Loan; Direct PLUS Loan for parents of dependent undergraduate students and for graduate or professional students; Direct Consolidation Loan; and Federal Perkins Loan.

**Total and Permanent Disability** is the condition of an individual who:

is unable to engage in substantial gainful activity\* by reason of a medically determinable physical or mental impairment that can be expected to result in death; has lasted for a continuous period of at least 60 months; or can be expected to last for a continuous period of at least 60 months; OR

has been determined by the Department of Veterans Affairs (VA) to be unemployable due to a service-connected disability.

*\*Substantial gainful activity is a level of work performed for pay that involves doing significant physical or mental activities or a combination of both.*

The above definition calls for a judgment decision as to the borrower's ability to earn income despite his or her disability. The physician should assess the impact of the borrower's disability on his or her ability to earn income in light of what the borrower would normally be able to earn if he or she were not disabled. If the disability appears to have a significant adverse effect on the borrower's earning potential, not only in the type of work performed before the impairment but for any substantial gainful employment, and the disability is expected to last for a long and indefinite period of time, then the borrower shall be considered totally and permanently disabled under this definition. If, however, the borrower's condition has improved so that the borrower is able to engage in substantial gainful activity or attend an institution of postsecondary education, then the borrower, with appropriate physician's certification and borrower acknowledgement, can be considered for new federal student loans and/or TEACH Grants.

## Terms and Conditions

If you were granted a final discharge due to total and permanent disability, you are not eligible to receive future TEACH Grants or future loans under the Perkins or Direct Loan programs **unless**:

You obtain a certification from a physician that you are able to engage in substantial gainful activity; and

You sign a statement acknowledging that the new loan or TEACH Grant service obligation cannot be discharged in the future on the basis of any injury or illness present at the time the new loan or TEACH Grant is made, unless your condition substantially deteriorates so that you are again totally and permanently disabled.

If you are granted a conditional discharge based on a total and permanent disability and you request a new TEACH Grant or new loans under the Perkins or Direct Loan programs during the conditional discharge period, you are not eligible to receive the new loan or TEACH Grant **unless**:

You obtain a certification from a physician that you are able to engage in substantial gainful activity

You sign a statement acknowledging that neither the previous conditionally discharged TEACH Grant service obligation or loan(s) nor the new loan or TEACH Grant service obligation can be discharged in the future on the basis of any injury or illness present when you applied for a total and permanent disability discharge or at the time the new loan or TEACH Grant is made, unless your condition substantially deteriorates so that you are again totally and permanently disabled;

You sign a statement acknowledging that the conditionally discharged loan(s) or TEACH Grant service obligation will be removed from conditional discharge status; and

The Department has removed the conditionally discharged loan(s) or TEACH Grant service obligation from conditional discharge status.