



2022-2023 Total and Permanent Disability (TPD) Discharge Clearance Form

What is discharge clearance paperwork?

A borrower must submit this paperwork if they have a loan that has been discharged (permanently or conditionally) and are interested in borrowing a new federal loan for educational purposes. If a student is not interested in loans, then the paperwork is not necessary.

If my loan has already been discharged, then why more paperwork?

If a borrower whose prior loan was discharged due to a total and permanent disability wishes to take out another federal student loan, they must submit two documents.

1. Physician certification stating that the student has the ability to engage in substantial gainful activity, and
2. A signed statement that the student is aware that the new loan cannot later be discharged for any present impairment unless it deteriorates so that the student is again totally and permanently disabled.

What is substantial gainful activity?

The phrase "substantial gainful activity" generally describes a situation in which a borrower is sufficiently physically recovered and capable of attending school, successfully completing a program of study, and securing employment in order to repay the new loan the borrower is seeking.

Do I have to submit these documents each time I get a loan?

If the student remains consecutively enrolled at City University of Seattle, then the student only needs to obtain the physician certification once. A student who does not attend City University of Seattle in a 12-month period may have to resubmit a physician certification statement.

A student must resubmit the borrower acknowledgment form each time a loan is processed. *Please note this may mean we have to collect the acknowledgment form several times during the academic year.*

I have a conditional discharge. Does this change the process?

If the prior loan was conditionally discharged and the conditional period has not elapsed, the borrower must sign an additional statement affirming that collection will resume on the conditionally discharged loan. Collection must begin before the new loan is disbursed. In addition, the signed statement must communicate that the borrower understands that unless their condition substantially deteriorates, the prior loan cannot be discharged in the future for any impairment present when the conditional discharge was granted or when the student requested the new loan.

My conditional discharge was first in default. Does it matter?

If a defaulted loan was conditionally discharged and then returned to repayment status, the student must make satisfactory repayment arrangement before receiving a new loan. A conditionally discharged defaulted loan remains in default until it is permanently discharged at the end of the conditional period.

2022-2023 Student Acknowledgement Form: Discharged Loans

Per federal regulations, a borrower that has had a federal student loan discharged (permanently or conditionally) and is interested in borrowing a new federal loan for educational purposes must resubmit the borrower acknowledgment form each time a loan is processed. This may mean we have to collect the acknowledgment form several times during an academic year.

A student must resubmit the borrower acknowledgment form each time a loan is processed.

Student Information

_____, _____
Last Name First Name M.I. Student ID#

Student Acknowledgment

I acknowledge I previously had a student loan(s) canceled due to total and permanent disability*. I further acknowledge that my physician has certified that my impairment(s) has improved sufficiently so that I now have the ability to engage in gainful activity defined as able to work and earn money or attend school. I also acknowledge the student loan I am now applying for and may receive, and any subsequent student loan(s) I may apply for and may receive hereafter, may not be canceled due to any present impairment(s) unless my physician certifies the impairment has substantially deteriorated to the point of total and permanent disability*.

I acknowledge that if any of my loans are still in a conditional discharge status that I understand that collection will resume on the conditionally discharged loans. I understand that collection must resume before I can begin receiving new federal loans.

Student Signature (computer font and electronic signatures **not** accepted)

Date

**Total and permanent disability is defined as the condition of an individual who is unable to work and earn money or attend school because of an injury or illness that is expected to continue indefinitely or result in death.*