

## Resolving Inadvertent Overborrowing – Federal Student Loans

If a student has inadvertently borrowed in excess of aggregate federal student loan limits, one of the following must occur before the student regains Title IV eligibility.

1. Repayment in Full

- a. The student must contact the loan servicer and comply with the servicer's repayment instructions.
- b. Once the student has repaid the excess loan amount in full, the servicer will send the student confirmation that the excess loan amount has been repaid.
- c. The student or servicer must **provide a copy of the repayment confirmation to the school**.
- d. The inadvertent overborrowing is considered to have been resolved as of the date the servicer received the borrower's full payment of the excess loan amount.

2. Satisfactory Repayment Arrangements

- a. The student must contact the applicable servicer and explain that they have inadvertently overborrowed and wishes to reaffirm the debt.
- b. The servicer must send the student a reaffirmation agreement.
- c. The student reads, signs, and returns to the servicer the reaffirmation agreement.
- d. The servicer sends the student confirmation that the reaffirmation agreement has been accepted.
- e. The student or servicer must **provide a copy of the reaffirmation confirmation to the school**.
- f. The inadvertent overborrowing is considered to have been resolved as of the date the servicer received the student's signed reaffirmation agreement.

3. Consolidation

- a. A student may choose to **consolidate** the loans that exceeded the aggregate loan limit.
- b. In this case, the student is considered to have made **satisfactory arrangements to repay the debt** (since by signing the consolidation loan promissory note the student has agreed to repay any excess loan amount).
- c. **No additional action on the students' part is required.** In this case, the school may print a copy of the student's National Student Loan Data System (NSLDS) records to document the consolidation of the loans that exceeded the aggregate loan limit.