

# Closed School Discharge Info for Art Institute of Seattle Students

## You are eligible for a Closed School Discharge if:

- You were enrolled when AI Seattle closed; or
- You were on an approved leave of absence when AI Seattle closed; or
- You were enrolled at AI Seattle within 120 days of closure on March 8, 2019.

## Factors to consider now before taking your next step:

- How many credits have you received at AI Seattle?
- How many of your credits would transfer to another school?
- Are you committed to completing your program of study or a comparable one?
- What is your current student loan debt and are you comfortable with borrowing more to complete a comparable program?
  - Are you willing to borrow more if you are only able to transfer minimal credits from AI?
- Are you willing to discharge your debt if it requires starting over with a different program of study?

## If you want to apply for a Closed School Discharge:

You must apply for the discharge and your application will be approved or denied. If approved, the benefits and losses are as follows:

### Benefits of a Closed School Discharge:

- ALL of your federal student debt from your program of study at AI Seattle is discharged – this means you will not have to pay it back
  - If you received loans for more than one program of study at AI, you will only receive a loan discharge for your current program of study. You are still responsible for repaying the loans from the previous program of study.
- Your federal student aid will be restored, including Pell eligibility, and can be used at a new school
- You receive a reimbursement for any payments you have made on your eligible student loans

### Losses of a Closed School Discharge:

- You must start a *different* program of study at a new school
- You lose the time and effort spent working on your program of study at AI
- You cannot continue studying the program area that you studied at AI Seattle
- This discharge will not affect any private student loans you have

**NOTE:** You can transfer *some* of your credits from AI Seattle and still receive a Closed School Discharge, only if you are starting a new, *different* program at a new school. You cannot transfer your credits to a comparable program and still receive a Closed School Discharge.

**Example:** Your program of study at AI Seattle is Graphic Design, but you enroll at a community college and pursue a degree in Business Administration – you would still qualify for a Closed School Discharge.

## Additional Information & Resources:

- You are required to make payments on your student loans while your Closed School Discharge application is pending.
  - Any amount you pay toward your loans during this time will be refunded to you if your application is approved.
  - You may have a six month grace period before you're required to start repaying your loans. Check the National Student Loan Data System (NSLDS) to verify this:  
[https://nslds.ed.gov/nslds/nslds\\_SA/](https://nslds.ed.gov/nslds/nslds_SA/)
- More info on Closed School Discharge: <https://studentaid.ed.gov/sa/about/announcements/closed-school>
- Visit NSLDS to view your federal loans: [https://nslds.ed.gov/nslds/nslds\\_SA/](https://nslds.ed.gov/nslds/nslds_SA/)
- If you have only ever borrowed loans from AI, then you will likely have a six month grace period before you are required to make any payments.
- If you borrowed loans previous to attending AI, you may be required to start making payments once you stop attending school. If this is the case, you can do one of the following:
  - Apply for an Income-Driven Repayment Plan to start making payments that are affordable for you. If you have little or no income, your monthly payment could be as low as \$0/month: <https://static.studentloans.gov/images/idrPreview.pdf>
  - Apply for a *brief* deferment or forbearance so that you are not required to make payments on your loans while you determine your next step:  
<https://studentaid.ed.gov/sa/repay-loans/deferment-forbearance>
- If you have more questions, contact the Student Loan Advocate:
  - [LoanAdvocate@wsac.wa.gov](mailto:LoanAdvocate@wsac.wa.gov)
  - Toll free: 833-881-0397