



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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The Michigan Higher Education Student Loan Authority (MHESLA) is pleased to announce the implementation of our MI-LOAN Program Rehabilitation Option, effective immediately. To qualify for the Option, MI-LOAN borrowers who have outstanding defaulted loans are required to make nine on-time payments within a ten month period.

***Rehabilitation Offers Outstanding Benefits
for Borrowers with Defaulted MI-LOAN Program Loans***

- * Rehabilitated loans will be reported as “current” which will improve borrowers’ credit reports.
- * Borrowers regain eligibility for remaining forbearance assistance.
- * A new monthly payment schedule is established with no past due loan debt.
- * KwikPay eligibility is reinstated.

To Apply: Borrowers complete a brief Rehabilitation Application and send to MHESLA. MI-LOAN Program staff confirm borrowers’ Rehabilitation Option eligibility and promptly notify eligible borrowers of MHESLA’s approval of their new rehabilitation loans.

Please note that, in determining qualification requirements, borrower payments that exceed scheduled monthly payments will count as no more than two payments toward the nine-payment requirement. For military personnel, if their loan default occurred while the borrower or cosigner was on active military duty or within twelve months thereafter, MHESLA will waive the qualification requirements of their loan(s).