

FEDERAL PERKINS STUDENT LOANS FACT SHEET

This fact sheet summarizes your benefits under the Federal Perkins Student Loan Program. For more information about loan benefits, visit us at www.campuspartners.com.

ACCELERATED PAYMENTS

You may pay future installments without penalty; however, these accelerated payments will not apply to future installments unless you do the following: 1) attach a written request to your payment; and 2) send an amount sufficient to cover all amounts due plus the complete amount for future installments you want to pay. You also may check a box on your billing statement or on mycampusloan.com to apply the amount paid to future installments.

NOTE: Late charges and collection fees that become due might preclude accelerated payments from covering the installments you intend to pay. Payments in excess of the amount due that do not cover complete future installments will be applied to the loan principal balance, thus reducing any future interest that will accrue.

DEFERMENT OF PAYMENTS

You may request to defer repayment of your loan(s) to interrupt your repayment period. To apply for a deferment of payments, you must complete a deferment request form, and submit this form to the school where you received the loan(s) or to its billing servicer, Campus Partners. You should complete and mail this form immediately upon receipt of the first bill after you are eligible to request deferment of payments. If you are unable to make your loan payments and if you are not eligible for any of the following deferments, you should contact the school where you received the loan(s).

Federal Perkins Loans Made July 1, 1993 and After. If you received your loan(s) on or after July 1, 1993, you are eligible to apply for deferment benefits if you are:

1. Enrolled and in attendance as a regular student in at least a half-time course of study in an institution of higher education;
2. Enrolled and in attendance as a regular student in an approved fellowship program or approved rehabilitation training program for disabled individuals (does not include a medical internship or residency program, except a residency in dentistry);
3. Unemployed and unable to find full-time employment (3-year limit);
4. Experiencing an economic hardship (3-year limit);
5. Engaged in services described on the reverse side of this Fact Sheet, under the Cancellation Benefits; or
6. Serving in a residency program in dentistry.

Federal Perkins Loans Made From July 1, 1987 through June 30, 1993. If you received your loan(s) within these dates, you are eligible to apply for deferment benefits for the circumstances listed below. You may also apply for the deferments listed above for loans made July 1, 1993 and after, but only for periods beginning October 7, 1998 and after.

1. Enrolled and in attendance as a regular student in at least a half-time course of study in an institution of higher education.
2. Serving in an internship program required for certification or a residency program in a hospital or health-care facility offering postgraduate training and leading to a degree/certificate awarded by an institution of higher education. (2-year limit)
3. Active duty as a member of the Armed Forces or in the Commissioned Corps of the Public Health Service. (3-year limit)
4. Volunteer service under the Peace Corps Act or Domestic Volunteer Service Act of 1973 (VISTA). (3-year limit)
5. Full-time volunteer for at least one year in a non-profit organization comparable to the Peace Corps. (3-year limit)
6. Temporary total disability of the borrower or spouse. (3-year limit)
7. Temporary total disability of a dependent in your care preventing you from attending school or from being employed. (3-year limit)
8. Active duty in the National Oceanic and Atmospheric Administration Corps. (3-year limit)
9. Mother of preschool age children entering or re-entering the work force and making less than \$1 more than the federal minimum wage. (12-month limit)
10. Parental leave (6-month limit) if you are pregnant or are caring for your newborn or newly adopted child, you are not gainfully employed or not attending school, and you have attended an eligible school at least half-time during the last six months.

Federal Perkins Loans Made Prior to July 1, 1987.

1. You may apply for deferment of payments under the circumstances listed above (Loans made from July 1, 1987 through June 30, 1993) except those listed under numbers 8 through 10.
2. You may also apply for the six deferments listed above for loans made July 1, 1993 and after, but only for periods beginning October 7, 1998 and after.

Federal Perkins Loans Effective October 1, 2007.

1. Regardless of when your loan was made, effective October 1, 2007, you may be eligible for a deferment if you are serving on active duty or performing qualifying National Guard duty during a war or other military operation or national emergency.

PARTIAL LOAN CANCELLATION BENEFITS

You are eligible to apply for partial cancellation of loan principal and accrued interest on your Federal Perkins, National Direct, or National Defense student loan if you meet one of the eligibility criteria described below, regardless of the provisions listed in your promissory note. **However, if the service or employment for which you are claiming partial loan cancellation is not included in your promissory note, then the service or employment must start October 7, 1998 or after. In this case, teachers employed in a year-around program may qualify if the school year began on or after July 1, 1998.**

Teacher Cancellations

A teacher is defined as a professional employee of a school or school system working **full-time**, who is devoted to providing classroom instruction or related services in support of the educational program. Up to 100% of the outstanding loan principal balance may be cancelled for the following three types of teaching positions, at the rate of 15% the first and second year, 20% the third and fourth year, and 30% the fifth year.

1. **Full-time teacher** in a public or nonprofit elementary or secondary school designated by the Secretary of Education as having a high concentration of low-income students, and in which more than 30 percent of the school's enrollment is Title I children, according to the list published annually in the *Federal Register*.
2. **Full-time special education teacher**, including teachers of infants, toddlers, children and youth with disabilities in a public or nonprofit elementary or secondary school system. The applicant must specify what percentage of students or clients in the class are disabled.
3. **Teacher in a field of expertise** such as mathematics, science, foreign languages, bilingual education or other fields where the state education agency determines there is a shortage of qualified teachers.

Employment Cancellations

Up to 100% of the outstanding loan principal balance may be cancelled for the following four types of employment services, at the rate of 15% the first and second year, 20% the third and fourth year, and 30% the fifth year. The employment must be full time and for a complete academic year or its equivalent.

1. **Service as a law enforcement or corrections officer** in an eligible local, state or federal agency. The agency must be publicly funded and its principal activities must pertain to crime prevention, control, or reduction or enforcement of criminal law, and your principal responsibilities are unique to the criminal justice system. The applicant must be a sworn law enforcement officer, corrections officer, or a person whose principal responsibilities are unique to the criminal justice system, and are considered essential in the performance of the agency's primary mission.
2. **Full-time employment as a nurse or medical technician** providing health care services for 12 consecutive months. A medical technician is an allied health professional (working in fields such as therapy, dental hygiene, medical technology, or nutrition) who is certified, registered, or licensed by the appropriate State agency. An allied health professional assists, facilitates, or complements the work of physicians and other specialists in the health care system.
3. **Providing or supervising the provision of services to high-risk children** from low-income communities and families of such children, and working full time in a public or private nonprofit child or family service agency for 12 consecutive months.
4. **Qualified professional provider of early intervention services** as defined in Section 632 of the Individuals with Disabilities Education Act, working full-time for 12 consecutive months in a public or other nonprofit program.

Service Cancellations

1. **Active duty service in the military** for a full year in an area of hostilities that qualifies for special pay under Section 310 of Title 37 of the U.S. Code. Up to 50% of the outstanding loan principal balance may be cancelled at the rate of 12½% for each year of qualifying service. For service that includes 8/14/08, or begins on or after that date, this same service is eligible for cancellation at the following rates: 15% the first and second year, 20% the third and fourth year, and 30% the fifth year.
2. **Volunteer service under the Peace Corps Act or Domestic Volunteer Service Act of 1973 ACTION** programs. Up to 70% of the outstanding loan principal balance may be cancelled, at the rate of 15% for the first two years of service, and 20% for the third and fourth year.
3. **Full-time service in a Head Start program** carried out under the Head Start Act (formerly under the Economic Opportunity Act of 1964), and operated for a complete academic year or its equivalent. The applicant must be a full-time educational staff member, and must not earn more than a comparable employee working in the local educational agency. Validation must be attached. Up to 100% of the outstanding loan principal balance may be cancelled, at the rate of 15% for each year of service.

Additional Cancellation Benefits - Service That Includes 8/14/08 or After

1. **Full-time service in a pre-kindergarten program that is state-funded or child care program** that is licensed or regulated by the state and is operated for a complete academic year or its equivalent.
2. **Full-time attorney employed in a defender organization** established in accordance with Section 3006 A(g)(2) of Title 18, U.S. Code.
3. **Full-time firefighters** employed by a local, State, or Federal fire department or fire district.
4. **Full-time faculty member at a Tribal College or University**, as defined in section 316 of the Higher Education Act of 1965.
5. **Librarians with a master's degree in library science** and employed in an elementary or secondary school that is eligible for assistance under Part A of Title I of the Elementary and Secondary Education Act (ESEA) of 1965 or in a public library that serves a local school district that contains one or more schools eligible for assistance under Part A of Title I of the ESEA.
6. **Full-time speech language pathologist** with a master's degree and working exclusively with schools that are eligible for assistance under Title I of the ESEA of 1965.

OTHER IMPORTANT INFORMATION

- You must pay back your loan. Regardless of your circumstances – whether or not you finish school, or your education didn't meet your expectations, or you do not get a job after you graduate – you are responsible for paying your loan in full. Paying on time establishes good credit for future borrowing. Failure to pay will place you in default and will negatively impact your credit rating.
- You are also obligated to repay the full amount of your loan even if you did not receive educational or other services purchased from your school.
- Your school is your Federal Perkins Loan lender. Be sure to stay in touch with your school, or their billing service, and inform them of any changes such as name, address, phone number, employment, etc.

FEDERAL PERKINS MASTER PROMISSORY NOTE

- The Federal Perkins Loan Master Promissory Note is a binding legal agreement indicating your promise to repay your student loan according to the repayment terms outlined in the note.
- Federal Perkins MPNs can be established using the multi-year feature, allowing the school to make annual awards to the student borrower without the need to sign a new promissory note each year or as a single-year note requiring a new promissory note be signed each year.
- The multi-year MPN will be revoked immediately upon any of the following events:
 - The date your school receives your written notification that no further loans may be distributed under the note
 - 12 months from the date you signed the note if no loan disbursements have been made
 - 10 years from the date you signed the MPN

PLANNING FOR REPAYMENT

After leaving school, you will enter a nine-month grace period. During this time, you do not have to make payments to your Federal Perkins Loan (although you may repay your loan at any time without penalty) and interest does not accumulate. To help with planning, create a budget, consider that your take home pay will be about 70% of your gross monthly salary, establish a savings account, and plan for big expenses.

During the grace period, you will receive a repayment schedule explaining the interest rate, payment amounts, and payment methods available to you. Billing methods and payment options may include:

- **Billing Statements** – Sent each month or quarter as a reminder
- **Coupon Books** – You receive a supply of coupons to send in with each monthly or quarterly payment
- **AutoDraft via the ACH (Automated Clearing House)** – Monthly payments are automatically deducted from your checking or savings account each month or quarter
- **E-Bill**- Email notification that allows you to login to a secure web site to view and pay your bill online.
- **E-Pay** – Online payments option

NATIONAL STUDENT LOAN DATA SYSTEM (NSLDS)

The National Student Loan Data System (NSLDS) is the U.S. Department of Education's central database for student aid. It receives data from schools, guaranty agencies, the Direct Loan program, the Pell Grant program, and other U.S. Department of Education programs. NSLDS provides a centralized, integrated view of Title IV loans and Pell grants that are tracked through their entire cycle, from aid approval through closure through its Web site, <http://www.nsls.ed.gov>. You can use the Web site to make inquiries about your Title IV loans and/or Pell grants. The site displays information on loan and/or grant amounts, outstanding balances, loan statuses, and disbursements.

LOAN DEFAULT

If you fail to repay your Federal Perkins loan as you agreed upon in the promissory note, your loan could default. If you are having difficulty making your loan payments, contact your school or its billing service immediately. Even if you skip one payment, you may be considered in default and face serious consequences, including:

- Demand for payment in full
- Denial of future student financial aid
- Garnishment of wages
- Negative credit rating for at least 7 years
- Inability to obtain credit for a house or car
- Seizure of tax refunds
- Loan referred to a collection agency, with collection costs added to your balance
- Lawsuits against you for the outstanding balance
- Withholding of information about your education by your school
- Professional license withheld

A Federal Perkins loan is borrowed money and must be paid back even if you did not complete your education, were dissatisfied with your education, or do not get a job after you graduate.

LOAN REHABILITATION

The Higher Education Amendments of 1998 created a Loan Rehabilitation program for Perkins Loans. Under this program you have the opportunity to request the rehabilitation of a defaulted loan. After making nine (9) on-time, consecutive monthly payments in an amount agreed to by your lending institution, your loan will be returned to regular repayment status, the default will be removed from your credit history, and you will be again eligible to borrow Title IV funds.

FORBEARANCE

Forbearance is an alternative option if you do not qualify for deferment and you are having difficulty making your loan payment. Your school or servicer may grant a temporary postponement or reduction of loan payment for a limited and specified period or an extension of the time to repay your loans. You may qualify if you request forbearance and provide documentation to support the request. The most common reasons for forbearance include:

- Inability to make your loan payments, but not being able to qualify for deferment
- Service in a medical internship or residency
- Service under the National and Community Trust Act of 1993
- Obligation to make payments on federal student loans equal to or greater than 20% of your total monthly gross income (for up to three years)

You are responsible for the interest that accrues during the forbearance period. Contact your school or billing service to request forbearance.

FEDERAL INCOME TAX BENEFITS

Taxpayers may be eligible to deduct up to \$2,500 of qualified student loan interest paid and/or other amounts paid such as origination fees and capitalized interest. Certain requirements must be met in order to take advantage of some or all of this deduction. For more information about this deduction and what are considered qualified higher education expenses, please refer to Chapter 4 of Publication 970, Tax Benefits for Higher Education. Publication 970 is available for download from the IRS web site at www.irs.gov, or you may request a copy by calling (800) 829-3676. Also, consult your tax advisor for guidance concerning how you may benefit from the Federal income tax deduction for student loan interest paid.

LOAN CONSOLIDATION

If you have substantial student loan debt or various loan types, consolidation may be an option for you. With consolidation, all of your eligible loans are combined into one loan, with one monthly payment and up to 30 years to repay. You may also be able to change your repayment plan. Consolidation can save you money on your monthly payments, but you will also pay more interest over the life of the loan.

By consolidating your Federal Perkins loan, you could lose certain deferment options and interest-free periods, such as your grace period. You will also be ineligible for any Federal Perkins loan cancellation provisions. You should also ask the consolidator important questions about origination fees, prepayment penalties, and the maximum interest rate charged. We recommend that you avoid any lender that charges a prepayment fee. Borrower benefit programs will vary among consolidating lenders. Defaulted loans may also be included in consolidation if you have made satisfactory arrangements to pay.

RIGHTS AND RESPONSIBILITIES

You have the right to:

- A copy of your promissory note
- A copy of your Disclosure Statement
- A repayment schedule before the loan enters repayment
- Receive a deferment or forbearance if you meet qualifications
- Prepay your loan without penalty
- Receive notification if your loan is sold or transferred
- Combine your loans into one loan with one payment
- Receive notification from the school when your loan is paid in full

You have a responsibility to:

- Repay your loan in full, including interest and fees
- Notify your school if you:
 - Change your name, address or phone number
 - Transfer to another school
 - Leave school for any reason
 - Drop below half time
 - Are having trouble with your loan payments
 - Experience any other change that affects your loan status

COMMUNICATE WITH YOUR SCHOOL OR BILLING SERVICE

Write your Account Number and name on everything that you send your school or billing service.

- Make detailed notes of all conversations you have with your school
- Report any change in your enrollment status, mailing address, name, etc. to your school as soon as you can
- Let your school or billing service know of any special circumstances you are facing

Contact your school or billing service if you have concerns or disputes about the terms of your student loan(s).

DEPARTMENT OF EDUCATION OMBUDSMAN

If you are unable to resolve a dispute with your lending institution concerning the terms of your student loan, you may contact the Department of Education Ombudsman via the internet at <https://studentaid.ed.gov/sa/repay-loans/disputes/prepare/contact-ombudsman>, by telephone at 877-557-2575, by fax at 606-396-4821 or by mail at the following address:

U.S. Department of Education
FSA Ombudsman Group
P.O. Box 1843
Monticello, KY 42633

The Department of Education also provides you with additional information on repaying your loans. Publications available that you may find helpful can be viewed at: <http://www.studentaid.ed.gov/pubs/>.

To obtain a copy of your promissory note, please contact the officials at the university that granted your loan.