

# IMPORTANT LOAN INFORMATION

## Federal Perkins Loan

KEEP FOR YOUR RECORDS

### Let's Talk Money

During your school attendance, you received a Federal Perkins/National Direct Student Loan. The program provides low-interest loans to students to help them meet their educational expenses. University Accounting Service, LLC (UAS) is under contract with your school to provide billing and accounting functions for your student loan(s). You will receive a billing statement for each due date, as well as other communications over the life of the loan.

This loan is a debt that must be repaid, just like a loan for a car or a house. How you approach repayment of this obligation will have an impact on your ability to receive additional credit in the future. You can find budgeting tools and additional information on managing your debt at [MappingYourFuture.org](http://MappingYourFuture.org). Please contact our office about any changes in your status or anything that may affect your ability to pay your loan. Changes may include changing jobs, changing your name or address, or returning to school. Consider deferments or forbearance (see page 3) if you need to adjust or suspend your payments temporarily.

Your school is required to report your loan to a credit bureau. Late payments will result in a negative credit reporting. Since credit bureaus build a credit history, simply bringing the account current cannot erase reports of past late payments. To avoid negative reporting, you must make each and every payment on time and in the full amount. If you fail to make full payment when due or do not excuse payments by filing benefit forms on a timely basis, your school also may assess a **late charge**. The school may require you to repay the entire loan immediately. It may place your account for collection and **charge you the costs of collection**. Your school may sue you to collect the debt, and it may ask the Federal Government for help in collecting from you.

#### Information provided to you during your exit counseling:

- Truth-In-Lending Statement (details interest rate, amount financed, and repayment schedule)

#### You have a right to:

- Know the full amount of your loan, the annual interest rate, the first payment due date and amount. (Reference the truth-in-lending statement.) If you wish to see a copy of your original promissory note, please request one from your lending institution. If you signed a Master Promissory Note (MPN), the amount of your loan(s) will not be listed on the document. By signing the note, you agreed to repay the amounts advanced to you. To see a list of these amounts, you should request a copy of your disbursement record. The MPN may be used for up to 10 years. If you return to enrolled status at the lending institution during that time, additional Perkins loan monies may be awarded without your additional signature.
- A grace period after you leave school, during which interest does not accrue and payments are not due.
- Prepay all or any part of the principal plus the accrued interest at any time without penalty. Payment of more principal than scheduled reduces your principal balance, reduces the length of loan repayment, and results in less interest paid over the life of the loan.
- Deferment, forbearance and/or cancellation of your loan as specified by Federal regulations.
- Certain tax benefits. When you begin repayment, you may be eligible for a tax deduction for the interest you pay on your loan. You may be eligible for other benefits such as tax deductions or tax credits associated with school attendance. Please consult your tax professional or IRS instructions for more information.



#### You must:

- Notify UAS of any change in your name, address, and/or telephone number. (Filing a mail forwarding order with the Post Office does not fulfill your obligation in this regard.)
- Submit properly and fully completed, certified forms requesting deferment, forbearance, or cancellation. Forms must be filed as soon as you become eligible for a benefit. Generally, forms must be filed annually to renew benefits; a student deferment form may be required for each term. If you experience financial difficulty, you may be eligible to extend the term of the loan and/or reduce the payment amount. However, any extension will increase the amount of interest paid over the life of the loan.

- Repay the loan even if you did not complete the educational program, are unable to find employment in your chosen field or any field, did not complete the educational program, or are dissatisfied with any educational or other services received from the lending institution.
- Notify the lending institution before the due date of any payment that you cannot remit.
- Make payments on time even if you fail to receive a billing statement.
- If you have Perkins loans from more than one school, contact your lending institutions if you are required to make minimum monthly repayments and want the payment amount based on the total amount owed.

## Grace Period

Your initial grace period begins on the first day of the month nearest to the day you leave school or drop below half-time status and ends nine months later. You may receive a six-month grace period following certain types of deferment. Interest begins to accrue on the grace-ending date, not the date on which your first payment is due. To repay your loan without interest charges, you must pay it in its entirety prior to the end of the initial nine-month grace period.

## Additional Information

### Payments

Please make all remittances payable to the lending institution (St. Lawrence University), and send them to:

University Accounting Service, LLC  
P.O. Box 5291  
Carol Stream, IL 60197-5291

The image shows a digital payment form. At the top, there are fields for 'My Name', 'My Address', and 'My City, State ZIP'. To the right is a 'Post Date' field with the value '5/11/2009'. Below these is a 'Date' field with the value '5/11/2009'. The 'Amount' field shows '\$ 812.67'. The 'Pay to the order of' field is filled with 'Your Lending Institution'. Below this is a 'Dollars' label. There are radio buttons for 'Checking' (selected) and 'Savings'. At the bottom, there are fields for 'The Bank Name', 'Bank Address', 'Routing Number', 'Account Number', and 'Account Name'. A 'Make Payment' button is located at the bottom right.

You may send one check for payment on all Perkins loan accounts. Please return the bottom portion of the billing statement with your payment. As an alternate payment method, you may use our electronic debit service to have payments deducted directly from your bank account. Go to <https://www.uasecho.com> for more information.

### Loan Consolidation

If you have several Federal student loans from several sources and have difficulty making payments, you may consider loan consolidation. Through consolidation, one lender buys your student loans and combines them into one new loan. Loan consolidation offers benefits such as one consistent monthly payment, an extended repayment period, and a smaller payment amount each month. **However**, a consolidation lender may require an application or loan origination fee. Consolidation also means the loss of all interest-free periods associated with a Perkins loan. Interest accrued during certain periods may be capitalized, meaning it is added to the principal balance on which additional interest is calculated. Consolidation may mean a shorter grace period and the **loss of cancellation benefits** listed on page 4. Also, a longer repayment period means more interest is paid over the life of the loan. Note that borrower benefits may vary among lenders.

### Ombudsman

If during your repayment you develop student loan problems that cannot be resolved through normal customer service, you may want to contact the U.S. Department of Education Office of Student Financial Assistance Programs Ombudsman Office. You may reach the Ombudsman Customer Service Line at 1-877-557-2575 or through the Internet at <http://sfahelp.ed.gov> or <http://ombudsman.ed.gov>. The mailing address is: Office of the Ombudsman, Student Financial Assistance; U.S. Department of Education; Rm. 3012, ROB #3; 7<sup>th</sup> and D Streets, SW; Washington D.C. 20202-5144

### National Student Loan Database

Your lending institution is required to report Federal Perkins loan status information to the National Student Loan Database (NSLDS). This information is available to you via the Internet at [www.nsls.ed.gov](http://www.nsls.ed.gov). You can use the site to inquire about your Title IV (Federal) loans and/or Pell grants. The site displays loan/grant amounts, disbursements, outstanding balances, and loan statuses. To use the site you will need to provide your social security number (SSN), your date of birth, and your SFA PIN.

We are here to assist you in meeting your obligation to repay this loan. All future payments, forms, and correspondence should be sent to this office. Please keep this packet as a reference to your student loan. If you have questions, please contact us.

## Are You Eligible For Deferment?

Once you leave the lending institution, you may be eligible for periods of deferment, during which interest does not accrue and repayment of principal is not required. You must file a Request for Deferment form to apply for benefits. Sign the Form and have it certified by an appropriate official. See the Form for any additional documentation required. Return the Form to UAS.

Deferment Criteria	Maximum Benefit Allowed
1. Half-time enrollment	No limit
2. Rehabilitation training	No limit
3. Graduate Fellowship Study	No limit
4. Unemployment	3 years
5. Economic Hardship	3 years
6. U.S. Armed Services	See Footnote 2
7. Forbearance: If your Title IV debt burden equals or exceeds 20% of your gross income, you may be eligible for forbearance. Also, you may request forbearance during periods of severe financial hardship.	3 years, renewable annually ( <i>See Footnote 1.</i> )

\*1 Principal and interest may both be deferred, but interest continues to accrue.

\*2 Effective 11/01/2007 all NDSL/Perkins borrowers are eligible for unlimited military deferment if called to active duty or assigned to other duty stations due to war, military operation, or national emergency. For loans made prior to 7/01/1993, up to 36 months of deferment is available for any active duty military service. For all loans, deferment also is available for periods during which borrower is engaged in service eligible for Federal Perkins Loan Cancellation (i.e. serving in an area of hostilities and receiving hazardous duty pay).

### In addition:

All periods of employment/service listed on the following page may qualify you for deferment of your loan during your year of qualifying employment/service. These occupations include:

- Law enforcement/corrections officer/Public Defender
- Peace Corps/ACTION Program volunteer
- U.S. Armed Services
- Nurse/Medical Technician providing health services
- Employment in Head Start Program or in a prekindergarten or child care program licensed or regulated by the State
- Full time faculty at a Tribal College or University
- Teacher, Librarian, or Speech Language Pathologist in designated low income school
- Teacher of special education, including teachers of infants, toddlers, children, or youth with disabilities
- Provider of early intervention services
- Teacher of mathematics, science, foreign languages, bilingual education or other field of expertise determined by state education agency to have a shortage of qualified teachers
- Provider or supervisor of provision of services to high-risk children from low income communities and their families
- Full time firefighter

**Completed Deferment and Cancellation forms should be mailed to:**

**University Accounting Service  
P.O. Box 932  
Brookfield, WI 53008-0932**

## Do You Qualify For Cancellation?

This loan program provides you with an opportunity to cancel all or part of your loan for certain types of employment or service. Below is the list of a broad range of eligible categories. Your eligibility for deferment/cancellation is determined by your specific employment circumstances and job description.

IF YOU EXPECT TO BE ELIGIBLE for any cancellation listed, you should apply for deferment of your account during your year of qualifying service/employment. This process delays billing until the end of the year, when your payments will be cancelled. To apply, complete a Request for Deferment Form and return it to UAS for processing.

TO RECEIVE CANCELLATION BENEFITS, you must file a Request for Partial Cancellation form at the end of your eligible year. If you defer payments for service/employment, the cancellation form will be sent to you automatically.

Cancellation Criteria	Maximum Benefit
1. Total and permanent disability or death of borrower	100%
2. Full-time employment in a Head Start Program or in a pre-kindergarten or child care program licensed or regulated by the State in which you are employed	100% (15% per year)
3. Full time faculty at a Tribal College or University	100% (over 5 years)
4. Full-time teacher in a low income school or Educational Services Agency serving school(s) eligible for funding under Chapter 1 of the Education Consolidation and Improvement Act of 1981	100% (over 5 years)
5. Full-time special education teacher, including teacher of infants, toddlers, children or youth with disabilities.	100% (over 5 years)
6. Qualifying Librarian with a Master's Degree in library science employed in a low income school eligible for funding under Chapter 1 of the Education Consolidation and Improvement Act of 1981 or in a public library serving a geographical area containing such a school	100% (over 5 years)
7. Full time speech language pathologist with a Master's Degree working exclusively with low income school(s) eligible for funding under Chapter 1 of the Education Consolidation and Improvement Act of 1981	100% (over 5 years)
8. Full-time teacher of mathematics, science, foreign languages, bilingual education, or any field of expertise determined by the state education agency to have a shortage of qualified teachers.	100% (over 5 years)
9. Provider of early intervention services in a public or non-profit program under public supervision.	100% (over 5 years)
10. Provider or supervisor of the provision of services to high-risk children from low-income communities and their families.	100% (over 5 years)
11. Full-time law enforcement or correction officer	100% (over 5 years)
12. Lawyer employed by Public Defender organization	100% (over 5 years)
13. Full time firefighter for service to a local, State, or Federal fire department or fire district	100% (over 5 years)
14. Nurse or medical technician providing health care services	100% (over 5 years)
15. Peace Corps or ACTION programs volunteer	70% (over 4 years)
16. Military Service in U.S. Armed Forces serving under hazardous duty pay.	100% (over 5 years)

**~Consolidation will result in loss of cancellation eligibility.**

## **A D D E N D U M**

The College Cost Reduction and Access Act (Pub. L. 110-84), signed into law on September 27, 2007, and the Higher Education Opportunity Act (Pub. L. 108-315), signed into law on August 14, 2008, changed the terms of loans made under the Federal Perkins Loan Program authorized by Part E of the Higher Education Act of 1965, as amended.

### **CHANGES AFFECTING FEDERAL PERKINS LOANS**

#### **LOAN REHABILITATION**

If you default on your Federal Perkins Loan, you may rehabilitate your defaulted loan under the terms and conditions specified in your promissory note by making nine on-time, consecutive, monthly payments, as determined by the loan holder. After your loan is rehabilitated, collection costs on the loan may not exceed 24% of the unpaid principal and accrued interest as of the date following the application of the ninth consecutive payment.

#### **FORBEARANCE**

Upon making a properly documented request to the holder of your loan, orally or in writing, you are entitled to forbearance of principal and interest, or principal only, renewable at intervals of up to 12 months for periods that collectively do not exceed three years, under the terms and conditions specified in your promissory note.

#### **DEFERMENT**

As of October 1, 2007, you may defer making scheduled installment payments, and will not be liable for any interest that might otherwise accrue on your Federal Perkins Loans, for an unlimited period during which you are serving on active duty during a war or other military operation or national emergency, or performing qualifying National Guard duty during a war or other military operation or national emergency, (as these terms are defined in 34 CFR §674.34(h) of the Perkins Loan Program regulations) and, if your active duty service includes October 1, 2007 or begins on or after that date, the 180-day period following the demobilization date for your service.

As of October 1, 2007, if you are serving on active duty military service on that date, or begin serving on or after that date for at least a 30-day period, you may defer making scheduled installment payments, and will not be liable for any interest that might otherwise accrue on your Federal Perkins Loans, for up to 13 months following the conclusion of your service and initial grace period if you are a member of the National Guard or other reserve component of the Armed Forces of the United States or a member of such forces in retired status (as these terms are defined in 34 CFR §674.34(i)(2)) and you were enrolled in a program of instruction at the time, or within six months prior to the time you were called to active duty. Active duty does not include active duty for training or attendance at a service school or employment in a full-time, permanent position in the National Guard unless you are reassigned from that position to another form of active duty service.

#### **CANCELLATION FOR TEACHING SERVICE**

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount of your Federal Perkins Loan cancelled for qualifying teaching service that includes August 14, 2008, or begins on or after that date, in a school or location, operated by an educational service agency, that has been determined to have a high concentration of students from low-income families. An official Directory of designated low-income schools and locations operated by educational service agencies is published annually by the Department.

#### **CANCELLATION FOR PRE-KINDERGARTEN OR CHILD CARE PROGRAM**

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount cancelled for qualifying service that includes August 14, 2008, or begins on or after that date, as a full-time staff member in a pre-kindergarten or child care program that is licensed or regulated by the State and that is operated for a period comparable to a full school year in the locality if your salary is not more than the salary of a comparable employee of the local educational agency.

#### **CANCELLATION FOR ATTORNEYS EMPLOYED IN A DEFENDER ORGANIZATION**

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount cancelled for qualifying full-time service that includes August 14, 2008, or begins on or after that date, as an attorney employed in a defender organization established in accordance with section 3006(g)(2) of title 18, U.S.C.

### **CANCELLATION FOR FIREFIGHTERS**

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount cancelled for qualifying service that includes August 14, 2008, or begins on or after that date, as a full-time firefighter for a local, State or Federal fire department or fire district.

### **CANCELLATION FOR FACULTY OF A TRIBAL COLLEGE OR UNIVERSITY**

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount cancelled for qualifying full-time service that includes August 14, 2008, or begins on or after that date, as a faculty member at a Tribal College or University, as that term is defined in section 316 of title 20, U.S.C.

### **CANCELLATION FOR SERVICE AS A LIBRARIAN**

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount cancelled for qualifying full-time service that includes August 14, 2008, or begins on or after that date, as a librarian, if you have a master's degree in library science and you are 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 of 1965, or you are employed in a public library that serves a geographic area that contains one or more of such schools.

### **CANCELLATION FOR SERVICE AS A SPEECH-LANGUAGE PATHOLOGIST**

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount cancelled for qualifying full-time service that includes August 14, 2008, or begins on or after that date, as a full-time speech-language pathologist if you have a master's degree and if you are working exclusively with schools that are eligible for assistance under title I of the Elementary and Secondary Education Act of 1965.

### **CANCELLATION FOR MILITARY SERVICE IN AN AREA OF HOSTILITY**

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount cancelled for qualifying full-time service that includes August 14, 2008, or begins on or after that date, as a member of the Armed Forces of the United States in an area of hostility that qualifies for special pay under section 310 of title 37 of the U.S. Code.

### **CANCELLATION RATES**

For each complete year of service under the Teaching Service, Attorneys Employed in a Defender Organization, Firefighter, Faculty of a Tribal College or University, Librarian, Speech-Language Pathologist and Military Service Cancellation provisions, a portion of your loan will be canceled at the rate of 15% of the original principal loan amount for the first and second years of service; 20% of the original principal amount for the third and fourth years of service; and 30% of the original principal loan amount for the fifth year of service. The complete year of qualifying service must be performed after the enrollment period covered by the loan.

For each complete year of service under the Pre-Kindergarten or Child Care Program Cancellation provision, your loan will be cancelled at a rate of 15% of the original principal loan amount. The complete year of qualifying service must be performed after the enrollment period covered by the loan.

### **TOTAL AND PERMANENT DISABILITY DISCHARGE**

Upon making a properly documented written request to the school on or after July 1, 2008, you are entitled to a discharge of the total amount owed on your Federal Perkins Loan if the Department of Veterans Affairs determines that you are unemployable due to a service-connected disability.

## **YOU HAVE RECEIVED A LOAN THAT MUST BE REPAYED**