

**FOR QUESTIONS, CHANGES IN STATUS OR ADDRESS,  
CONTACT: PERKINS LOAN OFFICE, CP-300; (714) 278-2952; perkinsloans@fullerton.edu**

**FEDERAL PERKINS LOAN PROGRAM  
BORROWER INFORMATION**

You are receiving a Federal Perkins Loan which must be repaid once your enrollment status falls below one-half time as a result of the following reasons: graduation, withdrawal from school, enrollment in less than 6 undergraduate units or 4 graduate 500 level units. Because the Federal Perkins Loan is an education loan, the loan proceeds can be used only for educational and education related expenses. A hold will be placed on your transcripts until you complete an Exit Interview. You may get a temporary release from Student Financial Services in UH-180 if you need transcripts before you leave this University.

The following information is provided to help you further understand the Federal Perkins Loan Program and the responsibilities accepting a debt obligation. All Federal Perkins Loans will be reported to Credit Bureaus at the time of disbursement and at the time of delinquency.

**I. CUMULATIVE MAXIMUM LOAN AMOUNTS**

- A. \$4,000 per academic year for studies toward a bachelor's degree.
- B. \$20,000 for a student who has completed an undergraduate degree.
- C. \$40,000 for studies towards professional or graduate degrees. The \$40,000 includes amounts borrowed for undergraduate study.

The loan agreement may provide that the total payment to an institution by a borrower be rounded to the next highest whole dollar amount that is a multiple of \$5.

**II. REPAYMENT TERMS**

The Higher Education Amendments of 1992 renamed the Perkins Loan Program to Federal Perkins Loan Program. The amendments also created, continued, or modified certain provisions, which apply to funds received at different time periods. The term "Federal Perkins Loan Program: Direct Loan" applies to all borrowers with an outstanding balance as of July 1, 1987. The term Federal Perkins Loan Program: Perkins Loan applies to all borrowers who received their first loan funds on or after July 1, 1987.

- A. Repayment begins six (6) months after the "Federal Perkins Loan Program: Direct Loan" borrower ceases to be at least a half-time student at this institution or an approved institution of higher education and nine (9) months for "Federal Perkins Loan Program: Perkins Loan" borrower.
- B. Ten years is the normal maximum repayment period allowed.
- C. Five percent (5) per annum is the interest rate charge on the unpaid principal balance.
- D. Thirty dollars per month is the minimum repayment amount for "Federal Perkins Loan Program: Perkins Loan/ Direct Loan" Forty dollars per month is minimum repayment for funds received for the first time on or after October 1, 1992.
- E. Late fees of up to twenty percent (20 %) of the past due installment will accrue 30 days after each payment due date.
- F. Borrower is responsible for all collection agency fees, court costs, attorney fees and other reasonable collection costs incurred in the collection of loans.
- G. The precise terms of repayment are specified in the promissory note, which will be provided to you.

**III. OTHER ENTITLEMENTS**

- A. Deferments for "Federal Perkins Loan Program: Perkins Loan and Direct Loan" borrowers: Principal need not be paid and interest will not accrue. All deferments must be received during the period for which they apply.
  - 1. While you are attending an approved institution of higher education as at least a half-time student or as a regular student in a course of study in a graduate fellowship approved by the Secretary.
  - 2. Grad or post-graduate fellowship supported outside the U.S.

3. Enrolled in attendance in a course of study that is part of a rehabilitation training program for the disabled.
4. For any period in which you are engaged in service eligible for cancellation as listed in III, B.
5. For a period not in excess of three (3) years during which:
  - a) You are seeking and unable to find full-time employment.
  - b) For any reason your institution determines has caused or will cause you to have an economic hardship.
6. An additional six (6) month grace period will be granted after the completion of any period of deferment described above.

B. Cancellation for “Federal Perkins Loan Program: Perkins Loan and Direct Loan” borrowers:  
A portion of the loan principal will be cancelled for each full year of service.

1. Full-time teaching in an approved elementary or secondary school serving low-income students.
2. Full-time special education teaching including infants, toddlers, children or youth with disabilities.
3. Full-time professional provider of early intervention services in public or non-profit program under public supervision.
4. Full-time provider or supervision of services to high-risk children from low-income communities and their families.
5. Full-time staff members in a “Head Start” program under the Economic Opportunity Act of 1964 for a full academic year.
6. Full-time teacher of math, foreign languages, bilingual education or other field as authorized by the Secretary.
7. Nurse or medical technicians providing health care services.
8. As a full-time law enforcement officer or corrections officer for service to local, State or Federal law enforcement or correction agencies.
9. Military service in an area that qualifies for special pay under Section 310 of Title 37 of the U.S. Code.
10. Death or total permanent disability of the borrower.
11. In addition to the above provisions, “Federal Perkins Loan Program: Perkins Loan” borrowers are entitled to cancellation of their “Federal Perkins Loan Program: Perkins Loan” for service as a volunteer under the Peace Corps or Action Programs.

C. Forbearance – Principal and interest or principal only will be deferred for a period not to exceed three years if your annual loan repayment obligation equals or exceeds twenty (20) percent of your gross income.

D. Excess payments made on your loan apply to the accrued interest and principal of your loan unless you designate it as an advance payment of your next installment.

E. “Federal Perkins Loan and Direct Loans” at the same or other institutions may be combined for a monthly minimum repayment amount of \$30.00 unless the combined loans at \$30.00 per month would not repay the loans in ten years. First-time borrowers after October 1, 1992 will pay a minimum of \$40.00 per month.

IV. LOAN DEFAULT

A. Default is defined as failure to make an installment payment when due or comply with other terms of the promissory note.

B. Defaulting on a loan may result in the account being reported to a credit bureau organization, sent to a collection agency, ineligibility for further financial aid, withdrawal of campus services, suit being brought against you, offset of the debt against State Income Tax Refund, Lottery and your account being turned over to the Federal government for collection.

I acknowledge receipt of an exact copy of this document.

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Signature of Borrower

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Date

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Name (please print)