

What is a Federal Perkins Loan?

The Perkins Loan is a 5% interest loan for both undergraduate and graduate students. You may borrow up to \$20,000 as an undergraduate student and up to \$40,000 as a graduate student. Loans are administered by KU on a revolving loan fund basis (i.e. while the fund is making loans to students, it is also receiving repayments for earlier loans). The continuation and success of this program depends upon loan repayment.

How to Apply!

To apply for a Perkins Loan, file the Free Application for Federal Student Aid (FAFSA) for the Federal Financial Aid Program. Perkins Loans are awarded on a need basis and given on a first come, first serve basis. Further information may be obtained by phoning or visiting the Office of Student Financial Aid, Room 50 Strong Hall, Phone (785) 864-4700.

Repayment\$

Your first payment is due nine months after the date you leave school. As payments become due, interest accrues on your unpaid balance at an annual percentage rate of 5%. Payments are based upon the total amount borrowed and are subject to a minimum of \$40 per month. All payments and correspondence about your loan should be sent to: University of Kansas c/o ECSI, 181 Montour Run Rd, Coraopolis, PA 15108-9408. Toll free phone: (888) 549-3274. Borrowers are encouraged to set up automatic payments through ECSI's ACH system. You always have the right to prepay all or any portion of your indebtedness without penalty. Until your loan is paid in full, *you are required to notify us, or ECSI, whenever your address or name changes.*

Your Credit!

Your loan is one of your first opportunities to establish good credit. According to federal law, we will notify a credit bureau of this debt. Our loan service, ECSI, will send updates to the credit bureau for the life of your loan. A favorable rating on your loan can afford you new credit opportunities in the future.

Late Payments

A payment is late if it reaches us past the due date (even by one day). A late charge of \$5.00 will be assessed for each late payment. Payments are currently due the 15th of each month.

Default

Once your account is past due we have the option to call due the entire unpaid balance plus interest and late charges. This is called default, and we are required to take the following steps:

- Report your default to any other college you may attend.
- Report your default to regional and national credit bureaus.
- Assess substantial collection fees and penalties.
- Refer your account to a collection agency or lawyer.
- This pursuit can be costly and of long duration, as this loan is not dischargeable in bankruptcy, nor does any statute of limitations apply to it. If the default continues, we relinquish your loan to the federal government to pursue repayment.

Loan Rehabilitation

If you default on your loan, you may request to have it rehabilitated. Upon successful rehabilitation, credit bureaus will be instructed to remove the default from your credit history. Defaulted loans may be rehabilitated only once.

Student Loan Ombudsman Office

If there is a dispute regarding your Perkins Loan at KU and the dispute is not resolved, you are entitled to contact the Student Loan Ombudsman Office by calling 1-877-577-2575 or by visiting their website at www.ombudsman.ed.gov.

Requests For Forbearance, Deferment or Cancellation

To receive forbearance, deferment or cancellation benefits, you must make application to ECSI and submit any additional documentation ECSI and KU require to prove eligibility for these benefits. You are responsible for

submitting the appropriate applications on time, or risk losing these benefits. Defaulted loans generally do not qualify for these benefits.

Forbearance

Upon making a properly documented written application to ECSI, you are entitled to forbearance of principal and interest or principal only, renewable at intervals up to twelve months for periods that collectively do not exceed three years, under the following conditions: (1) if your monthly Title IV loan debt burden equals or exceeds 20% of your total monthly gross income; (2) if the U.S. Secretary of Education authorizes a period of forbearance due to a national military mobilization or other national emergency; or (3) if ECSI and/or KU determines that you qualify due to poor health or for other reasons, including service in AmeriCorps. Interest accrues during any period of forbearance.

Deferments

Upon making properly documented written application to ECSI, you may defer making scheduled installment payments and will not be liable for any interest that might otherwise accrue 1) during any period that you are: enrolled and attending as a regular student in at least a half-time course of study at an eligible school; enrolled and attending as a regular student in a graduate fellowship program approved by the Secretary; enrolled and attending a rehabilitation training program for disabled individuals approved by the Secretary; engaged in public service that qualifies you to have part or all of your loan canceled; 2) for a period not to exceed three years during which you are seeking but unable to find full-time employment, 3) for a period not to exceed three years during which you are experiencing an economic hardship as determined by the school. You are not eligible for a deferment while serving in a medical internship or residency program. You will not be liable for any payments or interest that might otherwise accrue for a six-month period immediately following the expiration of any deferment period described in this paragraph. Visit www.ecsi.net/militarydef for military deferment information effective as of July 1, 2006.

Cancellations

You may be entitled to have up to 100% of the original principal loan amount canceled if you perform qualifying service in the areas listed below. Qualifying service must be performed after you receive the loan.

Teaching- (1) a full-time teacher in a public or other nonprofit elementary or secondary school that has been designated by the Secretary as a school with a high concentration of students from low-income families. An official directory of designated low-income schools is published annually by the Secretary. For information regarding a specific school, please contact ECSI; (2) a full-time special education teacher in a public or nonprofit elementary or secondary school system; (3) a full-time teacher in a public or other nonprofit elementary or secondary school system who teaches math, science, foreign languages, bilingual education, or any other field of expertise that is determined by the state Department of Education to have a shortage of qualified teachers in that State.

Early Intervention Services- a full time qualified professional provider of early intervention services (EIS) in a public or other nonprofit program under public supervision by a lead agency as authorized by section 672(2) of the Individuals with Disabilities Act. EIS is providing to infants and toddlers with disabilities.

Law Enforcement or Corrections Officer-a full-time law enforcement or corrections officer for an eligible local, state or federal agency.

Nurse or Medical Technician- a full time nurse, medical technician or allied health professional providing health care services.

Child or Family Service Agency- a full-time employee of an eligible public or private non-profit child or family service agency providing or supervising the provision of services to high-risk children from low-income communities.

Cancellation Rates -for each completed year of service for these cancellations, a portion of the loan will be canceled at the following rates: 15% of the original principal loan amount for each of the first and second years; 20% for each of the third and fourth years; and 30% for the fifth year.

Head Start Cancellation – a full-time staff member in the educational component of a Head Start program for a period comparable to a full school year that pays a salary comparable to an employee of the local educational agency. For each completed year, the loan will be canceled at the rate of 15% of the original principal loan amount.

Military Cancellation- up to 50% of the principal amount of your loan may be canceled for each completed year of qualifying service performed as a member of the Armed Forces of the United States in an area of hostilities that qualifies for special pay under section 310 of Title 37 of the U. S. Code. For each completed year of service, your loan will be canceled at the rate of 12.5% of the original principal loan amount.

Volunteer Service Cancellation – up to 70% of the original principal loan amount may be canceled for qualifying service performed as a volunteer under the Peace Corps Act or a volunteer under the Domestic Volunteer Service Act of 1973 (ACTION programs). For each completed year of service, your loan will be canceled at the following rates: 15% of the original principal loan amount for each of the first and second twelve month periods of service, and 20% for each of the third and fourth twelve month periods of service.

Death and Disability Cancellation –In the event of death, or permanent and total disability, KU will cancel the total amount owed on the loan.

All Promissory notes, Initial Interview Questionnaires and Exit Interviews are done on-line at our loan servicer's web site. Additionally, all deferment/cancellation, forbearance and economic hardship forms can be downloaded at ECSI's web site, www.ecsi.net. Choose "Borrower" then "Downloadable Forms." Return to University of Kansas c/o ECSI, 181 Montour Run Rd, Coraopolis, PA 15108-9408. Phone: (888) 549-3274

THE UNIVERSITY OF KANSAS PERKINS LOAN OFFICE

20 Carruth O'Leary

785-864-3322

785-864-5059 (FAX)