

FEDERAL PERKINS LOAN PROGRAM

Bursar's Office
UNIVERSITY OF DENVER
2197 S. UNIVERSITY BLVD. Suite 223
DENVER, COLORADO 80208
(303) 871-4901
www.du.edu/bursar

GENERAL INFORMATION BORROWER RIGHTS & RESPONSIBILITIES

The Federal Perkins Loan Program is a need based loan that has been guaranteed by the Federal Government. The loan must be used for educational expenses while in attendance at the University of Denver. These expenses may include tuition, fees, books, room & board, and transportation. The loan is interest free while you are enrolled half-time. Once you cease at least half time enrollment, the GRACE period, which is explained below begins immediately.

The University of Denver is the holder of your Perkins note. You must report any change of name, address, telephone number, Social Security number, or school enrollment status to:

**Bursar's Office
University of Denver
2197 S. University Blvd. #223
Denver, Colorado 80208.**

The following explains the terms and conditions of your loan:

INTEREST RATE: The interest rate on this loan is **5%** and accrues after your initial grace period.

GRACE PERIOD: The interval between graduation or termination of at least half-time studies and commencement of repayment is called the **GRACE PERIOD**. The grace period consists of nine (9) consecutive months for loans made after January 1, 1987. During this period, repayment need not be made and interest **will not** accrue. However, you are encouraged, at your option and without penalty, to make a pre-payment during this period of time. There is no pre-payment penalty.

REPAYMENT: Repayment commences after your grace period has ended. Your payments are **QUARTERLY** and you are billed in arrears for interest accrued. Quarterly pay **DUE DATES** are fixed at 3/1, 6/1, 9/1 12/1.

EXAMPLE:

If you graduated 6/93 your grace period would end 3/94. Interest would accrue 3/15/94, 4/15/94 and on 5/15/94. At this time you would be billed for the 6/1/94 payment (This includes 3 months interest and principal).

If you had an outstanding Federal Perkins/Direct loan prior to October 1, 1992, your first **quarterly** payment will be at least \$90.00, If your loan originated after October 1, 1992, your quarterly payments will be at least \$120.00. **These figures are guidelines in accordance with Federal regulations. The amounts are dependent upon the amount borrowed, these are the minimum amounts you can expect to repay.**

DEFERMENT: A borrower is entitled to have the repayment of a loan deferred under certain circumstances. A deferment is a period of time during which the borrower is not required to repay the loan principal and Interest will not accrue.

Interest does accrue during a hardship deferment for loans made after before July 1, 1993. Borrowers must apply for a deferment in writing. They may do so by contacting the University's Bursar's Office to request a form. The form must be submitted to the school, with the appropriate documentation, and by the date the school establishes. The borrower must file a form at least once a year for as long as the deferment is presumed effective. The borrower must immediately report any change in deferment status to the University.

DEFERMENT PRIVILEGES - You may (delay) payments on your loan by submitting forms, properly completed and certified, for any of the following (subject to approval): Student; Military; Peace Corps or VISTA; Public Health Service; Volunteer Service in a Tax Exempt Organization; Temporary Disability; Internships; Economic Hardship; Forbearance; Hardship; Unemployment; Mother with Preschool Age Children; or Parental or Maternity Leave.

CANCELLATION: A borrower may have all or part of his or her loan (including interest) canceled for engaging in public service. For example: teaching; service in a Head Start program; service in the Peace Corps or ACTION; service in the Military; or Law enforcement or as a corrections officer. For a complete list of cancellations and criteria go to:

<http://ifap.ed.gov/fsahandbook/attachments/0910FSAHbkVol6Ch5Oct2.pdf>

Cancellation is also granted in case of the borrower's death, total and permanent disability, or - in exceptional cases- bankruptcy.

Cancellation provisions vary, depending on whether the borrower has a Federal Perkins, Direct, or Defense loan. The following procedures do apply to any Perkins loan:

- ◆ The borrower must apply for cancellation of a loan by obtaining the appropriate cancellation form from the Bursar's Office at the University of Denver.
- ◆ The Form must be submitted to the University within 30 days from the request.
- ◆ The borrower must provide any documentation the school requests to show that he or she qualifies for the cancellation.

For additional information you may contact the University of Denver's Bursar's Office.

DEFAULT: Should you fail to repay your loan you will be in default. Any default will be reflected on your credit bureau record for at least seven years. To collect the loan the matter may be referred to a collection agency or to the Federal government, whereby they may exercise their rights in accordance with the law. This may result in additional collection and legal costs to you, the borrower.

LOAN REHABILITATION PROGRAM: Federal Perkins Regulations allow for defaulted loans to be rehabilitated. For details of this program contact your loan servicer.

LOAN CONSOLIDATION: If you have student loans from one or more lenders, then you may reduce your payments or extend your repayment period by consolidating your loans. To qualify for consolidation you must have: 1) \$7,500 in outstanding loans and 2) left school. Only the Federal/National Direct, SLS, Stafford (both subsidized and unsubsidized), and/or Health Professions Student loans can be consolidated. For additional information you may contact your lender(s).

STUDENT LOAN OMBUDSMAN'S OFFICE: If you dispute the terms of your Federal Perkins loan in writing and the University does not resolve the dispute, you can contact the Student Loan Ombudsman's office by calling 1-877-557-2527 or visit their website at <http://sfahelp.ed.gov>.

DISBURSEMENT REQUIREMENTS AND INFORMATION

You must complete the following before your FEDERAL PERKINS student loan will be deposited into your tuition account.

- 1. Complete the Master promissory note which can be downloaded from www.du.edu/bursar and return it to the Bursar's Office.** Please write legibly with blue or black ink. Illegible notes will be returned and will delay disbursement.
****All changes made to the original promissory note must be initialed by the borrower.****

You must:

- a) provide your social security and driver's license numbers.**
- b) provide your permanent address.**

- 2. Enroll for at least half time status:**
Undergraduates - 6 credit hours per quarter
Graduates/Law - 4 credit hours per term

- 3. FIRST TIME BORROWERS AT THE UNIVERSITY OF DENVER**
must also complete the following:

- a) Read the 'Borrower Rights & Responsibilities' information on the following pages.
- b) Complete the **ENTRANCE INTERVIEW** which can be downloaded at www.du.edu/bursar or by going to www.mapping-your-future.org.

CREDIT BUREAU REPORTING

All disbursements will be reported to a national credit bureau agency.

LOAN LIMITS: The Federal Perkins/National Direct loan is a need-based financial aid award, which combined with other financial aid awards, may not exceed your calculated need. According to Federal guidelines, the maximum annual amount an eligible student may borrow is \$4,000 per year for an undergraduate student, or \$6,000 per year for a graduate or professional student. The maximum cumulative amount an eligible student may borrow is \$20,000 for an undergraduate student, or \$40,000 for a graduate or professional student. The \$40,000 is a cumulative amount from combined undergraduate and graduate/professional studies.

PLEASE REMEMBER TO SIGN YOUR PROMISSORY NOTE