



UNIVERSITY OF
DENVER

FEDERAL PERKINS LOAN PROGRAM

EXIT COUNSELING STUDENT LOAN INFORMATION HANDBOOK

YOUR RIGHTS & OBLIGATIONS

Bursar's Office
University of Denver
2197 S. University Blvd. #223
Denver, CO 80208
(303) 871-4901
www.du.edu/bursar

GENERAL INFORMATION BORROWER RIGHTS & RESPONSIBILITIES

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:

**University of Denver
Bursar's Office
2197 S University Blvd #223
Denver, CO 80208
Phone: 303-871-4901
Fax: 303-871-4401
www.du.edu/bursar**

The following explains the terms and conditions of your loan:

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

B) 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 repayment during this period of time. There is no pre-payment penalty.

C) REPAYMENT: Repayment commences after your grace period has ended. Your payments are **quarterly** and you are billed in arrears for interest accrued. **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). Your first **quarterly** payment will be at least \$90.00, if you had an outstanding Federal Perkins/Direct loan prior to October 1, 1992. If your loan originated after October 1, 1992, your quarterly payments will be at least \$120.00. A \$6.00 late charge can be assessed on any payments received past the due dates. *(These figures are guidelines in accordance with Federal regulations. The amounts are dependent upon the amount you borrowed, These are the minimum amounts you can expect to repay.)*

****Payments can be made online at www.afford.com/du****

D) 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. Interest will not accrue during a deferment (with the exception that interest does accrue during forbearance (all loans) or a hardship deferment for loans made before July 1, 1993). Borrowers must apply for a deferment in writing. They may do this by contacting the Bursar's Office. The form must be submitted to the school, along with the appropriate documentation required by the school within 6 months of the beginning date of the requested deferment. The borrower must file a form at least once a year as long as the deferment can be claimed. The borrower must immediately report any change of in deferment status to the University. (The University is your lender).

E) DEFERMENT PRIVILEGES:

You may defer (delay) payments on your loan by submitting forms, properly completed and certified for any of the following categories:

- 1) **Student**--- Upon expiration of the grace period, a borrower returning to an institution of higher education within the United States, or attending a comparable institution outside the States, may defer payments for the entire period that at least a half-time course of study is maintained.
- 2) **Military**--- As a “member of the Armed Forces of the United States” on sustained full-time active duty, a borrower is entitled to defer repayment for a maximum of three years for *loans granted before 7/1/93 or after 7/1/01*.
- 3) **Peace Corps or VISTA**--- Members are entitled to defer repayment for a maximum of three years for *loans granted before 7/1/93*.
- 4) **Public Health Service**--- Officers in P.H.S. may defer payment up to three years on *loans granted before 7/1/93*.
- 5) **Volunteer Service in Tax Exempt Organization**--- Volunteers performing service in tax exempt organizations similar to Peace Corps or ACTION may defer payments up to three years on *loans granted after 9/30/80 and before July 1, 1993*.
- 6) **Temporary Disability**--- Borrowers who become temporarily totally disabled, or if the spouse or other dependent is disabled and borrower cannot work because of the care needed, payment may be deferred up to three years for *loans granted before 7/1/93*.
- 7) **Internships**--- Deferment may be granted for up to two years while serving in an internship which is necessary to gain professional recognition for *loans granted after 9/30/80 and before 7/1/93*.
- 8) **Economic Hardship**--- Deferment due to economic hardship may be granted for up to three years *on all loans*. Interest will not accrue during deferment.
- 9) **Unemployment**---Deferment due to unemployment may be granted for up to three years **on all loans**. Interest will not accrue during deferment.
- 10) **Hardship**---Deferment due to prolonged illness or unemployment may be granted for up to three years for *loans granted before July 1, 1993*. Interest will continue to accrue during deferment.
- 11) **Forbearance**--- Temporary cessation of payments, allowing an extension of time for making payments, or accepting smaller payments than previously scheduled. Forbearance may be granted one year at a time for up to 3 years *on all loans*. Interest will continue to accrue during any period of forbearance.
- 12) **Mother with Preschool Age Children**---Mothers of preschool age children returning to work may be given up to a one year on *loans granted before July 1, 1993*.
- 13) **Parental or Maternity Leave**--- Deferment may be given for up to six months, if taking care of a newborn or newly adopted child on *loans granted before July 1, 1993*. Borrower must be unemployed and not attending school.

For a complete list of deferments and criteria go to:

<http://ifap.ed.gov/fsahandbook/attachments/0910FSAHbkVol6Ch4Oct2.pdf>

F) CANCELLATION: A borrower may have all or part of his or her loan (including interest) cancelled for engaging in public service. For example: teaching, service in a Head Start program, service in the Peace Corps or ACTION, or service in the Military, 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 some 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 loan:

- 1) The borrower must apply for cancellation of his or her loan by obtaining the appropriate cancellation form from the Bursar's Office at the University of Denver. This form must be submitted yearly.
- 2) The form must be submitted to the University within 6 months of the beginning date of the requested cancellation.
- 3) The borrower must provide any documentation the school requests to show that he or she qualifies for the cancellation.

G) 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, 2) have left school. Only the Federal Perkins/Direct, SLS, Stafford (both subsidized and unsubsidized), and /or Health Professions Student loans can be consolidated. For additional information you may contact your lender.

H) LOAN REHABILITATION PROGRAM: Federal Perkins Regulations allow for defaulted loans to be rehabilitated. For details of this program contact your Federal Perkins loan servicer at (303) 871-4901.

I) DEFAULT: Should you fail to repay your loan, you will be in default. Any default will be reflected on your credit bureau for at least seven years. Your account may be referred to an outside collection agency or 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 as stipulated in your promissory note.

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