



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) 871-4944
www.du.edu/bursar

GENERAL INFORMATION

The University of Denver is the lender of your Perkins note. You must report any change of name, address, telephone number, email address, social security number, or school enrollment status to:

University of Denver
Bursar's Office
2197 S University Blvd #223
Denver, CO 80208
Phone: 303-871-4944
Fax: 303-871-4401
duperkins@du.edu
www.du.edu/bursar

ALL BILLING and CORRESPONDENCE IS PAPERLESS

Perkins loan information is available via WebCentral at <https://webcentral.du.edu/cp/home/displaylogin>. To view your Perkins Loan information go to the Student Tab and then Loan Management.

BORROWER RIGHTS & RESPONSIBILITIES

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 status and commencement of repayment is called the grace period. The grace period is nine (9) consecutive months during which, repayment need not be made and interest will not accrue. There is no pre-payment penalty and the entire principal may be paid in full prior to end of grace period without interest.
- C) REPAYMENT:** Repayment commences after the initial grace period has ended. Payments are due **quarterly** (every 3 months) and include principal and interest accrued.
Example: If you graduated 6/6/2013 your grace period would end 3/6/2014. Interest starts accruing daily as of 3/7/2014. Your first quarterly payment would be due on 6/1/2014 (This includes interest accrued and principal).
The repayment schedule of the Federal Perkins Loan is based on a maximum term of 10 years, per federal regulation. The quarterly payment amount is calculated based on the amount borrowed, the 5% interest rate, a minimum payment of \$120.00, and a 10 year term.
Example: If your borrowed amount (principal) is \$3000.00 then you're your quarterly payment would be \$120.00. If your principal is \$6000.00, then your quarterly payment would be \$191.54.
A \$6.00 late charge may be assessed to the loan if a payment is not received by the date due, additional late fees will accrue each month if the full payment is not received. Contact the Bursar's Office for debt management strategies to assist with borrower repayment.

Online payments can be made through the Bursar's Office website at www.du.edu/bursar under the Payment Options tab

D) DEFERMENT: A borrower is entitled to have the repayment of a loan deferred if certain criteria are met. A deferment is an interval of time during in which the borrower is not required to make payments to the loan principal. Interest will not accrue during a deferment period (*with the exception of a forbearance period*). Borrowers must apply for deferments by submitting the appropriate form located at www.du.edu/bursar along with any required documentation. Deferments must be submitted within 6 months of the start date of the requested deferment. Upon completion of an approved deferment period, the borrower must re-apply for deferment (if desired) by submitting a new form and updated documentation. Most deferments and forbearances are offered in time increments of 3 months to 1 year, with a maximum of 3 years overall. The borrower must immediately report any change in deferment status to the University as the lender of your Federal Perkins Loan.

E) DEFERMENT PRIVILEGES: Deferments and forbearances are available to borrowers to delay payments on Federal Perkins Loans by submitting the completed forms and include required documentation for any of the following categories:

- 1) **Student**—A borrower returning to an institution of higher education within the United States (US), or attending a comparable institution outside the US, may defer payments for the entire period that at least a half-time student status is maintained. ***At this time, we do not receive your enrollment information at another university. Enrollment verifications must be sent from institution to accompany requests.***
- 2) **Graduate Fellowship**—A borrower enrolled and in attendance as regular student in a course of study that is part of a graduate fellowship program approved by the Department of Education, including graduate or postgraduate fellowship-supported study (such as Fulbright grant) outside the US. *Enrollment verifications must be sent from institution to accompany requests.*
- 3) **Rehabilitation Training**—A borrower may defer repayment if enrolled in a course of study that is part of a Department of Education approved rehabilitation training program for disabled individuals. *Must provide certification.*
- 4) **Unemployment**—Deferment due to unemployment may be granted for borrowers who are unemployed or employed at less than 30 hours per week. Offered in time increments of 3 months to 1 year, with a maximum of 3 years overall.
- 5) **Economic Hardship**—Deferment due to economic hardship may be granted to borrowers who financially cannot afford the payments. Supporting documentation will be required. Offered in time increments of 3 months to 1 year, with a maximum of 3 years overall.
- 6) **Military**—a borrower who is serving on active duty in the US armed forces or qualifying National Guard duty may defer repayment if the duty is in connection with a war, military operation or national emergency.
- 7) **Forbearance**— any borrower may apply for forbearance, a temporary cessation of payments, in order to delay payments for a period of time or making smaller payments than previously scheduled. Offered in time increments of 3 months to 1 year, with a maximum of 3 years overall. *Interest will continue to accrue during any period of forbearance and is due in full immediately upon cessation of the forbearance period.*

For a complete list of deferments and criteria go to:
<http://ifap.ed.gov/fsahandbook/attachments/1314FSAHbkVol6Ch4.pdf>

F) CANCELLATION: A borrower may have all or part of loan(s) held cancelled (including interest) for serving in specific public service capacities. Examples of approved positions—teaching in underserved communities or populations, service in a Head Start program, Peace Corps or ACTION, law enforcement, corrections officer, family service agency, or a nurse or medical technician.

For a complete list of cancellations and criteria go to;
<http://ifap.ed.gov/fsahandbook/attachments/1314FSAHbkVol6Ch4.pdf>

The following are procedures for all cancellations:

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

*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. **To apply for a total and permanent disability cancellation the borrower needs to contact the Department of Education directly at <http://disabilitydischarge.com/home/>***

G) LOAN CONSOLIDATION: Borrowers may qualify to apply for loan consolidation. For more information about this process please visit <http://studentloans.gov>.

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

I) DEFAULT: If a borrower fails to repay their loan, they will be in default. Any default will be reported to a credit bureau and reflected on your credit report for at least seven years. In order to collect on your loan, 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 there is dispute in regards to the terms of your loan submitted in writing that the University is unable to resolve, borrowers have the right to contact the Student Loan Ombudsman's office by calling 1-877-557-2527 or visiting their website <http://sfahelp.ed.gov>.

K) TAX Benefits: Contact a tax advisor for possible benefits that might be available.

L) NSLDS: All federal loans borrowed are listed on the National Student Loan Data System at www.nsls.ed.gov