

THE REPAYMENT OF YOUR PERKINS LOAN

This guide outlines your rights and responsibilities in repaying your loan. This is vital information to understand to prevent default on your loan.

The type of Perkins Loan you borrowed is dependent on the Perkins Loan regulations in effect at the time you borrowed the funds.

EXIT COUNSELING

Federal regulations require you to complete exit counseling on your loans prior to your departure from MU, become non degree seeking, or if your enrollment at MU drops to less than half-time. A hold is placed on transcript requests until your exit counseling is satisfactorily completed.

GRACE PERIOD

The period of time between graduation (or ceasing to be enrolled at least half time as a degree seeking student) and the beginning of loan repayment. Perkins Loans have a 9-month grace period. You are not required to make payments during the grace period. Any payments made during the grace period before interest accrues will be applied toward principal.

INTEREST RATE

The interest rate on Perkins Loans is 5% per year. Interest is computed daily on the unpaid principal balance. Any extra payments you make toward principal will reduce the amount of interest you will pay over the life of the loan. ***Interest begins to accrue at the end of the grace period, but BEFORE the first payment is due.***

REPAYMENT

The first payment due, your minimum payment amount, and term of the loan is on your truth-in-lending form provided to you during exit counseling.

The total amount of interest indicated on the truth-in-lending statement assumes payments are received on the 1st day of every month as outlined on the truth-in-lending form. The actual amount of interest paid will depend on the date payments are received.

Payments are applied to any interest and/or fees outstanding, then towards principal. You may prepay at anytime without penalty. If you want to pay ahead, you must include a note specifying this along with your payment.

THE BILLING PROCESS

Once your loan enters repayment you will be sent a billing statement each month. Bills are computed around the 12th of the month and are due on the 1st, approximately 2 weeks later.

A payment is required each month. Payments received are first applied to the amount billed. Any extra payments will be applied to principal and **not** to future payments unless sent to 14 Jesse Hall with a note specifying how to apply.

Failure to submit your payments on time may result in late charges being assessed to each loan. Any payments returned to us as unpaid will be assessed a \$20.00 service charge. **YOU ARE RESPONSIBLE FOR MAKING YOUR LOAN PAYMENT EACH MONTH EVEN IF YOU DO NOT RECEIVE A BILL.**

DEFERMENT/CANCELLATION

A deferment is an authorized period of time during which payments are not requested and interest does not accrue. Any payments made during this period will be applied to principal.

A listing of deferments available on Perkins Loans is on the reverse of this brochure. To qualify for deferment/cancellation your loan must be in current status. You must notify our office to request deferment. Forms and other documentation may be required. Once our office receives all the necessary information and documents, your loan is put in "pre-deferment." During pre-deferment, billing is delayed. Prior to the end of the pre-deferment period we will send you a deferment form. The deferment form must be completed and certified by the appropriate official. The certified deferment form must be received in our office by the due date to finalize your deferment. Certified deferment forms for student status must be completed each semester.

If you discontinue the activity for which your loan was deferred, you must notify us immediately. Your loan will only qualify for deferment for the period that you engaged in the activity. All other periods of deferment will be removed from your loan. Late notification could result in your loan becoming delinquent.

Failure to submit deferment forms by the due date may result in negative credit bureau reporting. If the certified deferment form is not received in our office by the due date, the "pre-deferment" is removed from your account and you will be billed for all the previous months that had been "pre-deferred." Your account would immediately be considered past due. Because we report all loan accounts to the credit bureau monthly, your account would be reported to the credit bureau as extremely past due.

POST DEFERMENT GRACE PERIOD

After some deferments there is an additional grace period of six months during which no payments are due as in the grace period described above.

CANCELLATIONS/DISCHARGES

Under certain conditions you may have a portion of your loan canceled annually. Cancellations are based on the type of Perkins loan you owe and the type of activity you are engaged in. You must notify our office if you feel you qualify for one of the types of cancellations.

Once our office receives your request we will send you the necessary form(s) to complete. This form must be certified by your employer and returned to us so we may determine your eligibility for the cancellation. If approved, a deferment will be processed on your Perkins loan(s) for the period on the form. Your account must be current before we can process a deferment. A deferment is how we delay billing while you are employed in an activity that will qualify for cancellation.

Prior to the end of the deferment period, you must complete a cancellation form to have the qualifying year certified for cancellation. Cancellations are processed once the qualifying year has been completed and certification has been received from your employer. Along with the cancellation section of the form, you will need to complete the deferment section of the form if you are planning to continue employment in the same position for an additional year. This process of deferments and cancellation must be repeated each year for cancellation of your loan which allows us to insure that all criteria for cancellation have been met and comply with federal regulations.

To qualify for a cancellation based on employment, you must be employed full-time for a complete and continuous 12-month period. The 12-month period can be under different employers, but there can be no break in employment. In the case of cancellation for employment as a teacher, employment must be for a complete academic year. **If you cease to perform the employment activity for which your account was deferred you must notify the Student Loan Repayment Center immediately!** You do not qualify for the cancellation if you do not complete a full 12 months of employment. However, in some situations you may receive deferment for the qualified period.

You cannot receive cancellation for any employment activity performed BEFORE the date your loan was disbursed or DURING THE SAME PERIOD for which your loan was disbursed.

If it is determined that you do qualify, you will receive cancellation at a specific percentage of the original principal borrowed plus all the interest that accrued during the year. The table on the back lists the cancellations as well as the percentage of principal that may be canceled each year.

Failure to submit deferment and cancellation forms by the due date may result in late charges and negative credit bureau reporting. If we do not receive the certified forms in our office by the due date, the "deferment" is removed from your account and you will be billed for all the previous months that had been "deferred." Your account would immediately be considered extremely past due. Because we report all loan accounts to a credit bureau monthly, your account would be reported to a credit bureau as extremely past due.

FORBEARANCE

Forbearance is a temporary postponement of payments, however interest continues to accrue. Borrowers may qualify if they meet the criteria for financial hardship, are having health issues, or are serving in AmeriCorps. Forbearance may also be granted if a borrower is involved in a national emergency.

CREDIT BUREAU REPORTING

All student loans are reported to a national credit bureau monthly. If you are current on your loan payments you will establish a good credit history. If your loan become past due, the delinquency is reported to a credit bureau. Past due reportings will affect your ability to take out other loans, such as a mortgage or car loan. Some employers and landlords use credit ratings in their decisions to employ and rent.

LOAN REHABILITATION

Loan Rehabilitation is available to borrowers' loans who have defaulted on their Perkins loan. The borrower must contact the Student Loan Repayment Center to request rehabilitation. A defaulted loan will be considered rehabilitated **after** the borrower makes 9 consecutive on-time monthly payments, in an amount determined by the University of Missouri.

Benefits on rehabilitated loans include: removal of prior default from credit history, loan returns to regular repayment status, the balance of benefits/privileges of original promissory note is regained, collection costs are capped at 24% (if applicable), and Title IV eligibility is re-established.

An Agreement for Rehabilitation must be negotiated, approved, and executed before the loan can be rehabilitated.

GUIDE TO PREVENTING DEFAULT

The key to preventing default is COMMUNICATION!!

Payments - It is your responsibility to repay your loan in accordance with the truth-in-lending statement. Payments are due on the 1st day of each month.

Credit Reporting - All loans, whether current or past due, are reported to a national credit bureau each month beginning with the date of disbursement.

Your Contact Information - It is your responsibility to immediately inform the MU Student Loan Repayment Center of any change in name, address, telephone number, or social security number. This may be done online at www.ecsi.net or by noting changes on your billing statement, calling our office, or sending notification in writing to our office (name & SSN changes require written documentation). **Changing your address with one office of the University does not assure that all offices will receive this information.**

Payment Difficulties - Contact us if you cannot make a payment. Our trained loan advisors will work with you to make payment or deferment arrangements.

Default - Should you miss two payments, your loan will be considered in default. Your loan can be "accelerated" and sent to a collection agency. "Accelerated" means your loan becomes due in full. When a loan is accelerated, deferment and cancellation privileges are lost. You will have to pay the collection agency's commission on your loan, which can be very high. You can be taken to court and may have to pay all attorney fees and court costs. Your wages can also be garnished if you are an employee of the University of Missouri system.

Transcripts - MU will not release a transcript for any borrower who is past due on loan payments, has incomplete exit counseling paperwork and/or has a bad debt with MU.

Deferment/Cancellation - Failure to follow procedures explained in your promissory note and this brochure may result in denial of deferment/cancellation privileges

****There are no statute of limitations on student loans, which means that we can pursue collection of your student loan until you pass away!**

The Student Financial Aid Ombudsman Office is available to all NDSL and Perkins Student Loan borrowers who are unable to resolve a dispute with their loan holder. The toll-free phone number is (877) 557-2575. The website is <http://sfahelp.ed.gov/>.

CANCELLATIONS for ALL PERKINS loans*
Death of the borrower - certified copy of the death certificate is required for cancellation. 100% cancellation.
Total and permanent disability - borrower is unable to work and earn money because of an impairment that is expected to continue indefinitely or result in death. Physician certification and documentation is required. 100% cancellation.
Military service in an area of hostility that qualifies for special pay under Section 310 of Title 37 of the U.S. Code. 15% cancellation 1 st and 2 nd yr.; 20% 3 rd and 4 th yr.; 30% 5 th yr. Maximum 100% cancellation.
Peace Corp or Action Agency volunteer. 15% cancellation 1 st and 2 nd yr.; 20% 3 rd and 4 th yr. Maximum 70% cancellation.
Employed as a full time staff member in the educational part of a Headstart program. 15% cancellation each year up to a maximum of 100% cancellation.
Full time teacher in a low-income school district or with handicapped children in a public or other non-profit elementary or secondary school. 15% cancellation 1 st and 2 nd yr.; 20% 3 rd and 4 th yr.; 30% 5 th yr. Maximum 100% cancellation.
Employed as a law enforcement corrections officer - employed by a local, state, or federal agency that is publicly funded and its activities pertain to crime prevention, control, or reduction or to the enforcement of criminal law. Agencies that are primarily responsible for enforcement of civil, regulatory, or administrative laws are ineligible. The borrower must be a full-time employee of an eligible agency and a sworn officer or person whose principal responsibilities are unique to the criminal justice system and are essential in the performance of the agency's primary mission. 15% cancellation 1 st and 2 nd yr.; 20% 3 rd and 4 th yr.; 30% 5 th yr. Maximum 100% cancellation. (For Perkins Loans made on or before 11/29/90, cancellation effective 10/07/98).
CANCELLATIONS for ALL PERKINS loans,* Cancellation Rates for Below: 15% for 1 st and 2 nd years, 20% for 3 rd and 4 th years, and 30% for 5 th year (maximum 100% cancellation) (Perkins loans made before 07/23/92, the following cancellations are effective 10/07/98)
Employed as a nurse and licensed by the appropriate state agency to provide nursing services or employed as an allied health professional in an eligible field, as determined by the U.S. Department of Education, and certified, registered, or licensed by the appropriate state agency in the state in which he or she provides health care services.
Full time employee of an eligible public or private nonprofit child or family service agency who is providing or supervising the provision of services to high-risk children who are from low-income communities. High-risk children are under the age of 21, and are at risk for abuse or neglect, have serious emotional, mental, or behavioral disturbances, live in placements outside their homes or are involved in the juvenile justice system.
Full time teacher in a public or other non-profit elementary or secondary school in the fields of mathematics, science, foreign languages, or bilingual education or in any other field of expertise that is determined by the state education agency to have a shortage of qualified teachers in that state. Majority of classes must be taught in the borrower's field of expertise.
Full time special education teacher of infants and toddlers (up to and including 2 years of age) and children and youth (age 3–21 inclusive) in a public or other non-profit elementary or secondary school system. Disabilities include mental retardation; hearing, speech, or visual impairment; orthopedic impairment; or serious emotional disturbance.
Full time professional provider of early intervention services given to infants and toddlers (birth up to and including 2 years) who are handicapped. Handicapped infants and toddlers needing early intervention services because they are experiencing developmental delays in physical, language and speech, psycho-social or cognitive development or in self-help skills or they have a physical or mental condition that will cause a developmental delay. The services are provided in a program under public supervision and at no cost (except where a sliding scale of fees is used). Contact us for more information regarding qualifying services.
CANCELLATIONS for ALL PERKINS loans,* (Perkins loans must be in current status and the start of the eligible employment is on or after 09/01/08)
Full-time attorney employed in a defender organization established in accordance with section 3006A(g)(2) of Title 18, United States Code (Public Defender). 15% cancellation 1 st and 2 nd yr.; 20% 3 rd and 4 th yr.; 30% 5 th yr. Maximum 100% cancellation.
Full-time fire fighter for service to a Local, State, or Federal fire department or fire district. 15% cancellation 1 st and 2 nd yr.; 20% 3 rd and 4 th yr.; 30% 5 th yr. Maximum 100% cancellation.
Full-time teacher in a prekindergarten or child care program that is licensed or regulated by the State. 15% cancellation each year up to a maximum of 100% cancellation.
Full-time faculty member at a Tribal College or University. 15% cancellation 1 st and 2 nd yr.; 20% 3 rd and 4 th yr.; 30% 5 th yr. Maximum 100% cancellation.
Full-time librarian with a master's degree in library science and employed at: (A) an elementary/secondary school that is eligible for assistance under Part A of Title I of the ESEA 1965 or (B) a public library that serves a geographic area that contains one or more schools eligible for assistance under Part A of Title I of the ESEA 1965. 15% cancellation 1 st and 2 nd yr.; 20% 3 rd and 4 th yr.; 30% 5 th yr. Maximum 100% cancellation.
Full-time speech language pathologist with a master's degree, working exclusively with schools eligible for assistance under Part A of Title I of the ESEA 1965. 15% cancellation 1 st and 2 nd yr.; 20% 3 rd and 4 th yr.; 30% 5 th yr. Maximum 100% cancellation.

* The above descriptions are a brief summary of cancellations available. More restrictions may apply

DEFERMENTS for PERKINS loans <i>*Loans disbursed prior to 10/07/1998 may have additional deferments available. Please contact our office for details.</i>
Student deferment – enrolled as a degree seeking student at least half time. No limit.
Graduate fellowship – enrolled in course of study that is part of a graduate fellowship program (may not be in a medical internship or residency). No limit.
Graduate fellowship – engaged in graduate or post-graduate fellowship supported study outside the U.S. (may not be in a medical internship or residency). No limit.
Rehabilitation program – enrolled in course of study that is part of a rehabilitation program for disabled individuals. No limit.
Economic hardship – must meet qualifications regarding income and federal loan debt level. (also available to Peace Corp volunteers) 3 yr. limit
Unemployment – unemployed but seeking full time employment. 3 yr. limit.
Military – military service if retired/reserve called to active duty or career military whose duty station changed due to war or national emergency.

The University of Missouri has contracted with ECSI to service its student loans. If you have questions about your loan, please contact the below:

University of Missouri-Columbia/ECSI
181 Montour Run Road
Coraopolis, PA 15108
Phone: 1-888-549-3274
Access your account online at: www.ecsi.net

If you have problems contacting ECSI, you may also contact us directly at:

MU Student Loan Repayment Center
14 Jesse Hall
Columbia, MO 65211-1020
Phone: 573-882-6654
Email: muloans@missouri.edu

If you have a disability and need this publication in an alternate format, please contact us. Reasonable efforts will be made to accommodate your needs.



PERKINS LOAN

RIGHTS AND RESPONSIBILITIES

