

Federal Perkins Loan Disclosure Statement

You are eligible to receive Federal Perkins Loan funds through September 30, 2017 under the Federal Perkins Loan Program Extension Act of 2015. Absent Congressional action to reauthorize the Federal Perkins Loan Program, the program will expire on 9/30/2017. Federal Perkins Loan disbursements are now subject to the following terms and conditions of the Extension Act:

1. **The Extension Act of 2015:**

The Federal Perkins Loan Program Extension Act of 2015 was signed into law on December 18, 2015. The Extension Act authorizes institutions of higher education to award new Perkins Loans to eligible students through September 30, 2017.

2. **Use of Loan Funds:**

You may only use your loan funds to pay educational expenses at the institution that certified your loan eligibility. If you accept this loan, your eligibility for other student assistance may be affected.

3. **Loan Limits:**

To be eligible to receive a Perkins Loan, you must have been awarded the maximum annual Direct Subsidized Loan and in certain cases the maximum annual Direct Unsubsidized Loan for which you are eligible. The Federal Perkins Loan program has varying loan limits depending on your year in school, dependency status, and amount awarded by the institution. Limits for undergraduates are \$5,500 per year with a maximum of \$27,500.

4. **Enrollment Status:**

If you do not maintain an enrollment status of at least half-time, your loan will enter repayment after the 9-month grace period.

5. **Repayment:**

Repayment and accrual of interest at an annual rate of 5% will begin following the expiration of your grace period.

All payments and related correspondence can be sent to Heartland ECSI, P.O. Box 718, Wexford, PA 15090. You promise to repay the full loan amount with all interest and fees generally within ten (10) years. The minimum monthly repayment of this loan is \$40.00. You may prepay this loan, make loan payments before they are required, or in amounts that are greater than required, at any time without penalty. In some circumstances the loan may be deferred for student status, economic hardship, unemployment, military service, or cancellation service. A Department of Defense repayment program may be available for specified military service.

6. **Credit Bureau Notification:**

Your loan will be reported to one or more national credit bureaus on a monthly basis.

7. **Default:**

Your loan may be considered in default if terms and conditions of the loan note are not followed. Defaulted loans may be subject to late fees, accelerated (full balance due and payable), referred to a collection agency, and/or litigated.

8. **Collection Fees:**

A late payment fee may be charged for each individual scheduled payment that is missed. If your delinquent account is referred to collections, a collection agency or an attorney for litigation, you may be responsible to repay 100% of the cost to collect the loan including collection fees and litigation costs. This may include a percentage based collection fee system.

9. **Consolidation, Forgiveness, and Alternative Repayment plans:**

A Federal Perkins loan may be consolidated. Consolidating your federal education loans can simplify your payments, but it can also result in the loss of some benefits. Please weigh the pros and cons and decide if a Direct Consolidation Loan is right for you. More information can be found at <https://studentaid.ed.gov/> and <https://studentloans.gov>

Advantages of Consolidation:

- Combine multiple loans into one
- Can lower monthly payments
- Up to 30 years to repay
- Fixed interest rate
- Access to forgiveness programs such as Public Student Loan Forgiveness (PSLF) and Teacher Loan Forgiveness (TLF). See #12 below
- Access to alternative Income Driven Repayment plans such as Pay As You Earn. See #12 below

Disadvantages of Consolidation:

- A longer repayment period may result in more payments and more interest
- Possible loss of some deferment and forbearance benefits
- Possible loss of some cancellation benefits, see #10 below
- Possible loss of grace period
- Possible loss of the interest subsidy
- Possible increase in the interest rate

10. **Cancellation:**

You may be entitled to have up to 100% of the original principal loan amount forgiven on your Perkins loan if you perform qualifying service in an eligible profession such as teaching, early intervention, law enforcement or corrections, nurse or medical technician, child or family service, attorney in a defender organization, firefighter, Tribal or University faculty, librarian, speech-language pathologist, service in an early childhood education program, military, and volunteer service. Refer to your Federal Perkins MPN for eligibility and details.*

11. **Direct Loan Limits and Federal Loan Interest Rate Comparison:**

Direct Subsidized and Unsubsidized loans have varying loan limits depending on your year in school, dependency status, and amount awarded by the institution. In general aggregate loan limits are \$31,000 for dependent students, \$57,500 for independent students, and \$138,500 for graduate or professional students. More detailed information regarding loan limits between subsidized and unsubsidized loans can be found at <https://studentaid.ed.gov/>. For loans disbursed on or after July 1, 2017 and before July 1, 2018 the interest rate comparison is:

Loan Program	Interest Rate	Degree Level
Direct Subsidized Loan	4.45% fixed	Undergraduate
Direct Unsubsidized Loan	4.45% fixed	Undergraduate
Direct Unsubsidized Loan	6.00% fixed	Graduate or Professional
Federal Perkins Loan	5.00% fixed	Undergraduate

12. **Additional Resources:**

Resource Description	Website
Higher Education Finance website	https://studentaid.ed.gov/
Student loan website, FAFSA link, and FSA ID	https://studentloans.gov
Government or Non-Profit Forgiveness Program	https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service
Manage student loan debt by reducing payments	https://studentaid.ed.gov/sa/repay-loans/understand/plans/income-driven
Full Time Teacher Forgiveness Program	https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/teacher

*The “Terms and Conditions” of your Federal Perkins Loan Master Promissory Note (MPN) provide you with additional detailed information regarding your rights and responsibilities and benefits such as deferment and forbearance.