

# Federal Perkins Student Loans

## Federal Perkins/Perkins Loans made after 7/1/93

<b>GRACE PERIOD (1)</b>	9 months (1)
<b>INTEREST RATE</b>	5%
MINIMUM INSTALLMENT	\$30/\$40
REPAYMENT PERIOD	10 years
<b>REHABILITATION (2)</b>	yes
<b>DEFERMENTS</b>	
Student at least half time	yes *
Military (4)	Defer to Cancel *
Peace Corps (4)	Defer to Cancel *
U. S. Public Health Service (3)	no
Volunteer Tax Exempt Organization (3)	no
Temporarily Disabled (3)	no
Temporarily Disabled Spouse (3)	no
Temporarily Disabled Dependent (3)	no
Internship	Dental only (10)
Pregnant or Caring for Newborn or Adopted Child (3)	no
NOAAC—National Oceanic and Atmosphere Admin. Corp (3)	no
Mother of Preschool Child Re-entering Workforce (3)	no
Enrolled in Course for Rehabilitation for the Disabled (4)	yes
Graduate/Postgraduate Fellowship (4)	yes
Hardship (3)	no
Economic Hardship (4)	3 years *
Unemployment (4)	3 years *
<b>POSTPONEMENT</b>	
Forbearance	3 years **
<b>CANCELLATIONS (9)</b>	
<b>Teaching</b>	
Teacher Low-Income Shortage Area (5)	yes
Teacher Special Education (5)	yes
Teaching Field of Expertise Math/Science/Bilingual (4), (5)	yes
Head Start (4), (6)	yes
<b>Employment</b>	
Military Service Area of Hostilities or Imminent Danger (4), (7)	yes
Peace Corps (4), (8)	yes
Law Enforcement (4), (5)	yes
Nurse/Medical Technician (4), (5)	yes
Child/Family Service Agency Employee (4), (5)	yes
Early Intervention (4), (5)	yes
<b>Other</b>	
Death or Disability (100% of the loan may be cancelled)	yes
<b>LOAN CONSOLIDATION</b>	yes

- |   |  |
|---|--|
| <p>(1) Beginning 10/1/98, the nine-month grace period excludes any period (not to exceed three years) in which a borrower is: a member of a reserve component of the armed forces (section 10101 of Title 10, United States Code) and is called to active duty for a period of more than 30 days (section 101 (d)(2)). Such a period of exclusion shall include the time that elapses between the end of reserve service and the next regular enrollment period.</p> <p>(2) Eligible on all loans beginning 7/1/00.</p> <p>(3) For loans prior to 6/30/87. See promissory note.</p> <p>(4) All loans are eligible beginning 10/1/98.</p> <p>(5) 100% of the loan may be cancelled at the rate of 15% the 1st and 2nd year of teaching or service, 20% the 3rd and 4th year of service, 30% the 5th year of service.</p> | <p>(6) 100% of the loan may be cancelled at the rate of 15% for each year of service.</p> <p>(7) 50% of the loan may be cancelled at the rate of 12.5% for each year of service.</p> <p>(8) 70% of the loan may be cancelled at the rate of 15% the 1st and 2nd year of service and 20% the 3rd and 4th year of service.</p> <p>(9) All cancellations are Defer to Cancel beginning 10/1/98.</p> <p>(10) All Dental Internship or Residency are deferred as students.</p> <p>* Each deferment is followed by a six-month postdeferment grace period.</p> <p>** Payments are postponed, but interest continues to accrue.</p> |
|---|--|

## More Information Regarding your Federal Perkins Student Loan

- You will receive notices during your grace period reminding you of when your first payment is due. Each notice is on yellow paper and is NOT a bill.
- Options for paying your monthly payment when you receive your first bill:
  - 1) Pay online using QuikPay visit our website [www.iuloans.iu.edu](http://www.iuloans.iu.edu)
  - 2) Send a check to PO Box 6210, Indianapolis, IN 46206-6210
- You can prepay at any time. Additional amount goes to principal, not the next scheduled payment. If you wish to make more than one payment, please contact our office for instructions.
- You can consolidate your Perkins Loan. Consolidation combines (refinances) multiple educational loans into one new loan. The new loan will have a new interest rate, new terms and conditions. Consolidation may be beneficial to some borrowers however, it may pose drawbacks for others. For example, Perkins Loan borrowers lose valuable cancellation rights by consolidating.

Consolidation is usually limited to larger loan amounts and may extend the loan repayment period. Extending the repayment period may increase your total finance charge. Be aware of all loan provisions before consolidating your educational loans.
- You may be able to defer or partially cancel your loan. Refer to the chart on the back or view our Repayment Guide on our website at [www.iuloans.iu.edu](http://www.iuloans.iu.edu)
- Contact our office if you are unable to make your payment.
- If you miss a payment you will be charged a late fee. If you default on your loan it may be referred to collections or possible litigation. There will be additional collection costs and your credit will be adversely affected.
- Report any change of name or address to us. We do not have access to other university systems to transfer address changes.
- Indiana University is the Loan Holder. Remember the loan is an obligation that must be repaid even if you have not completed the program, unable to obtain employment after graduation or otherwise dissatisfied with the schools educational or other services.
- For a copy of your promissory note please call 866-IULOANS or 866-485-6267.
- Your loans will be reported to NSLDS and all three credit bureaus.
- If you develop problems you cannot solve through our office, you may contact the Ombudsman at <http://www.ombudsman.ed.gov/>
- Debt management strategies:
  - Develop a budget
  - Match cash income and outflow
  - Start a money management system
  - Establish good spending habits
  - Understand all of your student loans
  - Use credit cards wiselyFor more information visit [http://www.indiana.edu/~sfa/consumer\\_info/money.html](http://www.indiana.edu/~sfa/consumer_info/money.html)



**INDIANA UNIVERSITY**

OFFICE OF STUDENT LOAN ADMINISTRATION

Division of Financial Management Services

PO Box 1609, Bloomington, Indiana 47402-1609

812-855-4511 866-IU LOANS Fax: 812-855-5848 Email: [iuloans@indiana.edu](mailto:iuloans@indiana.edu) Web: [www.iuloans.edu](http://www.iuloans.edu)