

Federal Perkins Loan Disclosures

Required by H.R. 3594 as of December 18, 2015

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. **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. For eligible graduate or professional students, the annual loan limit is \$8,000 with a cumulative maximum of \$60,000 including amounts borrowed as an undergraduate.

3. **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:	Disadvantages of Consolidation:
<ul style="list-style-type: none">• 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 #5 below• Access to alternative Income Driven Repayment plans such as Pay As You Earn. See #5 below	<ul style="list-style-type: none">• 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• Possible loss of grace period• Possible loss of the interest subsidy• Possible increase in the interest rate

4. **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 and Graduate

5. **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