FEDERAL PERKINS LOAN PROGRAM DISCLOSURE STATEMENT

The Office of Scholarships & Financial Aid is required by the U.S. Department of Education to provide this notice disclosing additional information regarding your Federal Perkins Loan.

- **The Extension Act of 2015:**
The Federal Perkins Loan Program Extension Act of 2015, enacted on December 18, 2015, extends the Federal Perkins Loan Program through September 30, 2017. Institutions may continue to award the Federal Perkins Loan Program based on the newly established eligibility requirements. The Federal Perkins Loan Program will end as of September 30, 2017, which means no Federal Perkins Loans will be awarded after this date.

- **Use of Loan Funds:**
You may use your loan funds to pay educational expenses at the institution that certified your loan eligibility.

- **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 limit for UNCW undergraduates is $4000 per year.

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

- **Repayment**
Repayment and accrual of interest at an annual rate of 5% will begin following the expiration of your grace period. You promise to repay the full loan amount with all interest and fees generally within ten (10) years. 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.

- **Loan Forgiveness**
Federal Direct Loan borrowers may be eligible for special income driven repayment options (like Pay As You Earn or Income Based Repayment) and may be considered for loan Forgiveness (like the Public Service Loan Forgiveness option) if they meet all qualifying requirements. However, such repayment and forgiveness options ARE NOT AVAILABLE to Federal Perkins Loan borrowers.

- **Credit Bureau Notification**
Your loan will be reported to one or more national credit bureaus on a monthly basis.
Default
Your loan may be considered in default if terms and conditions of the loan are not followed. Defaulted loans may be subject to late fees, full balance due and payable, referred to a collection agency and/or subject to litigation.

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.

Consolidation
There are benefits and drawbacks to consolidating Federal Perkins Loans with Federal Direct Loans.

Benefits
- A Federal Direct Consolidation Loan combines the borrower’s eligible loans into a single loan. This consolidates payments, so that the borrower only has one monthly payment rather than multiple payments to multiple loan servicers.

- A Federal Direct Consolidation Loan offers increased repayment options that may reduce payments by extending the repayment terms. It should be noted that extending the repayment period will add to the total interest on the loan over its lifetime.

- A Federal Direct Consolidation Loan may provide the borrower with more repayment options like Pay As You Earn or Income Based Repayment.

- A Federal Direct Consolidation Loan may allow the borrower to be considered for Loan Forgiveness options like Public Service Loan Forgiveness.

Drawbacks:
- If the Federal Perkins Loan borrower is or will be a school teacher, early intervention services professional, law enforcement or corrections officer, public service employee, etc., he/she may qualify for Loan Cancellation. When Federal Perkins Loans are consolidated, Loan Cancellation Benefits that are only available to the Federal Perkins Loan Program are lost. For more information about loan consolidation visit www.studentaid.gov/consolidation.
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, military, volunteer service and other professions. Refer to your Federal Perkins MPN for eligibility and details.

Direct Loan Limits and Federal Loan Interest Rate Comparison
The interest rate on the Federal Perkins Loan program is currently fixed at 5.00%.

In comparison, the interest rate on Federal Direct Loans is governed by current law (The Bipartisan Student Loan Certainty Act of 2013) which states that the interest rate on Federal Direct Loans will be based on the high yield of the 10-year Treasury note at the final auction held prior to June 1 preceding the July 1 of the year for which the interest rate will be effective, PLUS a statutorily defined “add-on,” subject to an interest rate cap, and that the loan will be a fixed-rate loan.

The fixed interest rate for the next year will not be known until after the final auction occurs, but is capped to be no higher than 8.25% for Federal Direct Subsidized Stafford Loans, 8.25% for Federal Direct Unsubsidized Stafford Loans, and 10.5% for Federal Direct Parent PLUS Loans.

For the 2016-2017 academic year, the interest rates on the various Federal Direct Loan programs are as follows:
- Direct Subsidized and/or Unsubsidized Loans for undergraduate students: 3.76%
- Direct PLUS Loans for parents of undergraduate students: 6.31%

The annual borrowing levels for the Federal Direct Subsidized & Unsubsidized Stafford Loan programs are based on an undergraduate student's established enrollment level (example: freshman, sophomore, etc.).

You can find out more about your Federal student loans by accessing the National Student Loan Data System (NSLDS) at [www.nslds.ed.gov](http://www.nslds.ed.gov). To access the website, you will need your Name, Date of Birth, Social Security Number, and FSA ID.

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