



Federal Perkins Loan Disclosure

H.R. 3594

FEDERAL PERKINS LOAN PROGRAM WILL END SEPTEMBER 30, 2017

Per the changes in the Extension Act, effective December 18, 2015, no new loans will be made under the Federal Perkins Loan Program after 9/30/2017.

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, 2015 and before July 1, 2016 the interest rate comparison is:

Loan Program	Current Interest Rates by Program Type
PERKINS	5.00% fixed
STAFFORD for Students	4.29% fixed Undergraduate
	5.84% fixed Graduate
PLUS For Parents and Graduate/Professional Students	6.84%fixed

Perkins Interest Rate is fixed at 5%

The interest rate for a Direct Loan is determined annually for new loans that are made between July 1 of one year and June 30 of the following year. Each loan will have a fixed interest rate for the life of the loan. View the latest interest rate information at StudentAid.gov/interest.

NEW YORK INSTITUTE OF TECHNOLOGY

FEDERAL PERKINS LOAN ELIGIBILITY

We are required to award a Federal Direct Loan (subsidized/unsubsidized) prior to awarding Federal Perkins Loan. You have the right to decline/adjust the Federal Direct Loan amounts. If your eligibility changes your Federal Perkins loan may be cancelled.

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.

Enrollment Status Influence on the Federal Perkins Loan

If you do not maintain an enrollment status of at least half-time or have completely withdrawn prior to program completion or you have graduated, your loan will be exited and you will enter repayment; you should contact NYIT's Office of Financial Aid so an Exit Counseling Test can be provided.

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.

REPAYMENT OF FEDERAL PERKINS LOAN

Repayment and accrual of interest at an annual rate of 5.0% will begin following the expiration of your 9 month grace period. All payments and related correspondence are to be sent to NYIT Office of Bursar (Attn: Perkins Repayment), P.O. Box 8000, Old Westbury, NY 11568-8000. You must repay the full loan amount, all interest and all fees generally within ten (10) years. You must pay back your student loan, even if you do not graduate, you do not get a job, or your education did not meet your expectations. 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.

There is a Department of Defense repayment program available for specified military service; please contact our office if you are in active Military service.

Note: Repayment and forgiveness options for Federal Direct Loans are not the same for Federal Perkins Loans. The **repayment and forgiveness options for Federal Direct Loans are not available for Federal Perkins Loans.**

NOTIFICATION TO CREDIT BUREAU

Your loan will be reported to one or more national credit bureaus on a monthly basis. Information will include the disbursement date, amount and repayment status of your loan.

CANCELLATION OF FEDERAL PERKINS TO CREDIT BUREAU

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; 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.

FEDERAL PERKINS LOANS ARE ELIGIBLE FOR CONSOLIDATION

The **benefits** of consolidating your Federal Perkins loans into a Direct Consolidated Loan are:

- Combine multiple loans into one monthly payment:
 - A Direct Consolidation Loan combines the borrower's eligible loans into a single loan. To learn how interest rates are calculated on Direct Consolidation Loans, visit StudentAid.gov/consolidation.
- Can lower monthly payments
- Up to 30 years to repay
- Fixed interest rate of 5%
- Access to forgiveness programs (e.g. Public Student Loan Forgiveness (PSLF) and Teacher Loan Forgiveness (TLF))
- Access to alternative Income Driven Repayment plans (e.g. Pay As You Earn)
- More Repayment Options:
 - Students having difficulty keeping up with student loan payments may choose a different repayment plan. By extending the term of student loan repayment, or selecting an individual payment plan that matches income levels and ability to pay, borrowers who participate in the Consolidation Program sometimes have lower monthly payments on the new loans. It should be noted, however, that extending repayment terms also adds more total interest to the loan, over its entire lifetime.

The **drawbacks** of consolidating your Federal Perkins loans into a Direct Consolidated Loan are:

- A longer repayment period may result in more payments and more interest
- Possible loss of some deferment and forbearance benefits
- Possible loss of grace period
- Possible loss of the interest subsidy
- Possible increase in the interest rate
- The loss of loan cancellation benefits:
 - If you are, or will be, a public school teacher, or if you teach math, science or special education subjects, you may qualify for Perkins loan cancellation. When Perkins loans are consolidated alongside other outstanding federal loans, the cancellation benefit is eliminated.

DEFAULT OF FEDERAL PERKINS LOAN

Your loan will be considered in default after one missed payment, at which time late fees will be assessed and the delinquency reported to the national credit bureaus. In addition, your defaulted loan may be subject to referral to a collection agency, litigation, referral to Department of Education for collection, NYS and/or federal tax offset and a hold will be placed on your records resulting in transcripts being withheld and future registration within NYIT denied.

NYIT OFFICE OF FINANCIAL AID INFORMATION**OLD WESTBURY**

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