

# **Federal Perkins Loan Disclosure** H.R. 3594

## **FEDERAL PERKINS LOAN PROGRAM IS ENDING ON SEPTEMBER 30, 2017**

Additional Perkins loans will NOT be available after the above date.

### **FEDERAL STUDENT LOANS INTEREST RATE COMPARISON TABLE**

<b>Federal Loan Program</b>	<b>15-16 Interest Rate by Program 7/1/15 to 6/30/16</b>	<b>16-17 Interest Rate by Program 7/1/16 to 6/30/17</b>
<b>Perkins</b> (for students)	<b>5.00%</b> fixed	<b>5.00%</b> fixed (Until Program End)
<b>Direct Loan</b> (for students) Subsidized/Unsubsidized	<b>4.29%</b> fixed Undergraduate <b>5.84%</b> fixed Graduate	<b>Not Yet Determined</b> Visit <a href="http://www.StudentAid.gov/interest">www.StudentAid.gov/interest</a>
<b>PLUS</b> Parent Borrowers <i>and</i> Graduate/ Professional Students	<b>6.84%</b> fixed	<b>Not Yet Determined</b> Visit <a href="http://www.StudentAid.gov/interest">www.StudentAid.gov/interest</a>

### **FEDERAL PERKINS LOAN ELIGIBILITY IS ONLY AVAILABLE AFTER FEDERAL DIRECT LOAN ELIGIBILITY HAS BEEN TAKEN INTO ACCOUNT**

In order to qualify for Federal Perkins Loan you must be awarded and accept your full annual loan eligibility in subsidized and unsubsidized Federal Direct Loans.

### **REPAYMENT OPTIONS AND FORGIVENESS BENEFITS FOR FEDERAL DIRECT LOANS ARE NOT AVAILABLE TO FEDERAL PERKINS LOAN BORROWERS**

The repayment period for a Perkins Loan is 10 years. Federal direct loans have an array of repayment options including plans based on income. Unfortunately, these options are not available under the Federal Perkins Loan Program.

The Perkins Loan Program has cancellation provisions specific to Perkins loan. The cancellation provisions specific to the Federal Direct Loan Program are not available for Perkins Loan borrowers.

General repayment and forgiveness information can be viewed at [www.StudentAid.gov/repayment](http://www.StudentAid.gov/repayment)

### **FEDERAL PERKINS LOANS AND FEDERAL DIRECT LOANS MAY BE CONSOLIDATED INTO A FEDERAL DIRECT CONSOLIDATION LOAN**

The *benefits* of consolidating your Federal Perkins Loan with your Federal Direct Loans are:

**One monthly payment:** A consolidation loan combines the borrower's eligible federal loans into a single loan. To learn how interest rates are calculated on Federal Direct Consolidation Loans visit [www.StudentAid.gov/consolidation](http://www.StudentAid.gov/consolidation)

**Additional Repayment Options:** Students having difficulty keeping up with their loan payments may choose a different repayment plan. By extending the term of the loan, or by selecting a payment plan which matches income levels to ability to pay, borrowers who consolidate sometimes have lower monthly payments. **NOTE:** extending repayment terms also adds more total interest to the loan over its entire lifetime.

The *drawback* of consolidating your Federal Perkins Loans with your Federal Direct Loans is 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 along with other outstanding federal loans, the cancellation benefit is eliminated.