FEDERAL PERKINS LOAN FACT SHEET

Austin College holds the note on the Federal Perkins Loan. Payments should be remitted directly to our loan servicer, ECSI, at 181 Montour Run Rd Coraopolis, PA 15108-9408. You may make payments; review your account history; change billing methods; make address, email or telephone number changes and much more on-line at www.heartlandecsi.com. If someone other than you will be handling your monthly payments, please go on-line to Account Tools and add “Release of Information” data on that person. This will be required if anyone other than you calls to ask a question.

GRACE PERIODS - Unless you are a Less-Than-Half-Time Borrower, you will receive an initial nine-month grace period before the first payment of your Federal Perkins Loan must be made. After the close of an authorized deferment period, you will receive a post-deferment grace period of 6 months before payments resume. Interest does not accrue during the initial grace period or during the post-deferment grace period. The nine-month initial grace period for Federal Perkins Loans does not include any period up to three years during which you are called or ordered to active duty for more than 30 days from a reserve component of the Armed Forces of the United States, including the period necessary for you to resume enrollment at the next available enrollment period. You must notify Austin College of the beginning and ending dates of your service, and the date you resume enrollment. If you are in your initial grace period when called or ordered to active duty, you are entitled to a new nine-month initial grace period upon completion of the excluded period.

If you are a Less-Than-Half-Time Borrower with outstanding Federal Perkins Loans, your repayment period begins when the next scheduled installment of your outstanding loan is due. If you are a Less-Than-Half-Time Borrower with no other outstanding Federal Perkins Loans, your repayment begins the earlier of: 9 months from the date the loan was made, or 9 months from the date you became a less-than-half-time student, even if you received the loan after you became a less-than-half-time student.

REPAYMENT – You are obligated to repay the principal and the interest that accrues on your loan(s) to Austin College beginning 9 months after the date you cease to be at least a half-time student and ending 10 years later, unless you request in writing that your repayment period begin sooner. Austin College will report the amount of your monthly installment payments, along with the amount of this loan to at least one national credit bureau. Interest on this loan shall accrue from the beginning of the repayment period. Austin College requires a minimum monthly payment of $40.00. Your repayment period may be shorter than 10 years if the minimum monthly payment applies to your loan. The repayment period may be extended during periods of deferment, hardship, or forbearance.

LATE CHARGES – Payments are due the first of each month and become delinquent as of the 10th of the month. Austin College will assess a late charge to your account if you do not make a scheduled payment when due or fail to submit a properly documented request for any of the approved forbearance, deferment, or cancellation benefits on or before the due date of the payment.

FORBEARANCE, DEFERMENT, OR CANCELLATION - You may apply for a forbearance, deferment, or cancellation on your loan. During an approved forbearance period, payments of principal and interest, or principal only, may be postponed or reduced. Interest continues to accrue while your loan is in forbearance. During an approved deferment period, you are not required to make scheduled installment payments on your loan. You are not liable for any interest that might otherwise accrue while your loan is in deferment. If you meet the eligibility requirements for a cancellation of your loan, the institution may cancel up to 100 percent of the outstanding principal loan amount. You are responsible for submitting the appropriate requests on time, and may lose your benefits if you fail to file a request on time.

DEFAULT – Your loan will be declared to be in default if (1) You fail to make a scheduled payment when due; (2) You fail to submit, on or before the due date of a scheduled payment, documentation that you qualify for a forbearance, deferment, or cancellation; or (3) You fail to comply with the terms and conditions of your Master Promissory Note or written repayment agreement. Austin College may assign a defaulted loan to the Department for collection. You will be ineligible for any further federal student financial assistance authorized under the Act until you make arrangements that are satisfactory to Austin College Business Office or the Department to repay your loan. Austin College or the Department shall disclose to credit bureau organizations that you have defaulted and all other relevant loan information. You will lose your right to defer payments and to forbearance if you default on your loan. A defaulted loan may be accelerated. Acceleration means that Austin College or the Department demands immediate payment of the entire unpaid balance of the loan, including principal, interest, late charges, and collection costs. You will lose the right to receive cancellation benefits for service that is performed after the date the loan is accelerated.

LOAN REHABILITATION - If you default on your Federal Perkins Loan, and that loan has not been reduced to a judgment as a result of litigation against you, you may rehabilitate the defaulted loan by requesting the rehabilitation and by making a voluntary, on-
time, monthly payment, as determined by Austin College, each month for nine consecutive months. If you successfully rehabilitate your defaulted Federal Perkins Loan, you will again be subject to the terms and conditions and qualify for any remaining benefits and privileges of your Promissory Note and the default will be removed from your credit history. You may rehabilitate a defaulted Federal Perkins Loan only once.

**HARDSHIP REPAYMENT OPTIONS** - Upon your written request, Austin College may extend your repayment period (1) for up to an additional 10 years if you qualify as a low-income individual during the repayment period; or (2) for the period necessary beyond your 10 year repayment period if, in the school’s opinion, prolonged illness or unemployment prevent you from making the scheduled repayments. Interest will continue to accrue during any extension of a repayment period.

Austin College may also permit you to pay less than the minimum monthly payment amount for a period of not more than one year at a time if you experience a period of prolonged illness or unemployment. However, such action may not extend the repayment period beyond 10 years.

**PREPAYMENT** - You may prepay all or any part of your unpaid loan balance, plus any accrued interest, at any time without penalty. Amounts you repay in the academic year in which the loan was made and before the initial grace period has ended will be used to reduce the amount of the loan and will not be considered a prepayment. If you repay amounts during the academic year in which the loan was made and the initial grace period has ended, only those amounts in excess of the amount due for any repayment period shall be considered a prepayment. If, in an academic year other than the academic year in which the loan was made, you repay more than the amount due for an installment, the excess funds will be used to repay principal unless you designate it as an advance payment of the next regular installment.

**FORBEARANCE** - Upon making a properly documented written or oral request to Austin College, you are entitled to forbearance of principal and interest or principal only, renewable at intervals of up to 12 months for periods that collectively do not exceed three years, under the following conditions: If your monthly Title IV loan debt burden equals or exceeds 20 percent of your total monthly gross income; if the Department authorizes a period of forbearance due to a national military mobilization or other national emergency; or if the school determines that you qualify due to poor health or for other reasons, including service in AmeriCorps. Interest accrues during any period of forbearance.

**DEFERMENTS** - To apply for a deferment, you must request the deferment from the school. The request does not have to be in writing, but the school may require that you submit supporting documentation to prove your eligibility for a deferment. You may defer making scheduled installment payments and will not be liable for any interest that might otherwise accrue (1) during any period that you are enrolled and attending as a regular student in at least a half-time course of study at an eligible school (if the Austin College obtains student enrollment information showing that you qualify for this deferment, the school may grant the deferment without your request providing the school notifies you and gives you the option to cancel the deferment); (2) during any period that you are enrolled and attending as a regular student in a graduate fellowship program approved by the Department; engaged in graduate or post-graduate fellowship-supported study outside the US; enrolled and attending a rehabilitation training program for disabled individuals approved by the Department; or engaged in public service that qualifies you to have part or all of you loan canceled; (3) for a period not to exceed three years during which you are seeking but unable to find full-time employment; (4) for a period not to exceed three years, for up to one year at a time, during which you are experiencing an economic hardship as determined by the school. You may qualify for an economic hardship deferment for your Federal Perkins Loan if you provide the school with documentation showing that you have been granted such a deferment under the William D. Ford Federal Direct Loan or Federal Family Education Loan program for the period of time for which you are requesting an economic hardship deferment for your Federal Perkins Loan. If you are serving as a volunteer in the Peace Corps, you are eligible for an economic hardship deferment for your full term of service. An economic hardship deferment based on service as a Peace Corps volunteer may not exceed the lesser of three years or your remaining period of economic hardship eligibility; (5) during any period when you are serving on active duty during a war or other military operation or national emergency, or performing qualifying National Guard duty during a war or other military operation or national emergency (as these terms are defined in 34 CFR 674.34(h) of the Perkins Loan Program regulations) and, if your active duty service includes October 1, 2007 or begins on or after that date, for an additional 180-day period following the demobilization date for your service; and (6) if you are serving on active duty military service on October 1, 2007, or begin serving on or after that date, for at least a 30-day period, for up to 13 months following the conclusion of your active duty military service and initial grace period or until you return to enrolled student status, whichever is earlier, if you are a member of the National Guard or other reserve component of the Armed Forces of the United States or a member of such forces in retired status (as these terms are defined in 34 CFR 674.34(i)(2)) and were enrolled in a program of instruction at the time you were called to active duty, or within six months prior to the time you were called to active duty. Active duty does not include active duty for training or attendance at a service school or employment in a
full-time, permanent position in the National Guard unless you are reassigned from that position to another form of active duty service.

You may continue to defer making scheduled installment payments and will not be liable for any interest that might otherwise accrue for a six-month period immediately following the expiration of any deferment period described in this section.

You are not eligible for a deferment while serving in a medical internship or residency program.

**CANCELLATIONS** - Upon making a properly documented written request to the school, you are entitled to have up to 100 percent of the original principal loan amount of this loan canceled if you perform qualifying service in the areas listed in paragraphs A through K below. Other cancellation percentages apply if you perform qualifying service in the areas listed in paragraphs L and M, as explained in those paragraphs. Qualifying service must be performed after the enrollment period covered by the loan.

A. Teaching • a full time teacher in a public or other nonprofit elementary or secondary school or in a school or location operated by an educational service agency that has been designated by the Department in accordance with the provisions of section 465(a)(2) of the Act as a school with a high concentration of students from low-income families. An official Directory of designated low-income schools and locations operated by educational service agencies is published annually by the Department. • a full-time special education teacher in a public or nonprofit elementary or secondary school system, including a system administered by an educational service agency; or • a full-time teacher, in a public or other nonprofit elementary or secondary school system who teaches mathematics, science, foreign languages, bilingual education, or any other field of expertise that is determined by the State Department of Education to have a shortage of qualified teachers in that State.

B. Early Intervention Services • a full-time qualified professional provider of early intervention services in a public or other nonprofit program under public supervision by a lead agency as authorized by section 632(5) of the Individuals with Disabilities Education Act. Early intervention services are provided to infants and toddlers with disabilities.

C. Law Enforcement or Corrections Officer • a full-time law enforcement officer for an eligible local, State, or Federal law enforcement agency; or • a full-time corrections officer for an eligible local, State, or Federal corrections agency.

D. Nurse or Medical Technician • a full-time nurse providing health care services; or • a full-time medical technician providing health care services.

E. Child or Family Service Agency • a full-time employee of an eligible public or private non-profit child or family service agency who is directly providing or supervising the provision of services to high-risk children who are from low-income communities and the families of such children.

F. Attorneys Employed in a Defender Organization • a full-time attorney employed in a defender organization established in accordance with section 3006(g)(2) of title 18, U.S.C.

G. Firefighters • a full-time firefighter for a local, State or Federal fire department or fire district.

H. Tribal College or University Faculty • a full-time faculty member at a Tribal College or University, as that term is defined in section 316 of title 20, U.S.C.

I. Librarian • a full-time librarian who has a master’s degree in library science and is employed in an elementary or secondary school that is eligible for assistance under part A of title I of the Elementary and Secondary Education Act of 1965, or who is employed in a public library that serves a geographic area that contains one or more such schools.

J. Speech-Language Pathologist • a full-time speech-language pathologist who has a master’s degree and who is working exclusively with schools that are eligible for assistance under title I of the Elementary and Secondary Education Act of 1965.

K. Service in an Early Childhood Education Program • a full-time staff member in the educational component of a Head Start program, or a full-time staff member in a pre-kindergarten or child care program that is licensed or regulated by the State. The program must be operated for a period comparable to a full School year and must pay a salary comparable to an employee of a local educational agency.
Cancellation Rates - For each completed year of service under paragraphs A, B, C, D, E, F, G, H, I, and J a portion of this loan will be canceled at the following rates:

• 15 percent of the original principal loan amount for each of the first and second years; • 20 percent of the original principal loan amount for each of the third and fourth years; and • 30 percent of the original principal loan amount for the fifth year.

For each completed year of service under paragraph K (Service in an Early Childhood Education Program), a portion of this loan will be canceled at the rate of 15 percent of the original principal loan amount.

L. Military Cancellation - Upon making a properly documented written request to the School, I am entitled to have up to 50 percent of the principal amount of this loan canceled for qualifying service that ended before August 14, 2008, and up to 100 percent cancelled for qualifying service that began on or after August 14, 2008, as: • a member of the Armed Forces of the United States in an area of hostilities that qualifies for special pay under section 310 of Title 37 of the United States Code.

Cancellation Rate - For each completed year of service under the Military Cancellation provision that ended before August 14, 2008, this loan will be canceled at the rate of 12½ percent of the original principal loan amount.

For qualifying service that began on or after August 14, 2008, this loan will be canceled at the following rates: • 15 percent of the original principal loan amount for each of the first and second years; • 20 percent of the original principal loan amount for each of the third and fourth years; and • 30 percent of the original principal loan amount for the fifth year.

M. Volunteer Service Cancellation - Upon making a properly documented written request to the school, you are entitled to have up to 70 percent of the original principal loan amount of this loan canceled for qualifying service performed after the enrollment period covered by the loan as: • a volunteer under the Peace Corps Act; • a volunteer under the Domestic Volunteer Service Act of 1973 (ACTION programs).

Cancellation Rate - For each completed year of service under the Volunteer Service Cancellation provision, a portion of this loan will be canceled at the following rates:

• 15 percent of the original principal loan amount for each of the first and second 12-month periods of service; and • 20 percent of the original principal loan amount for each of the third and fourth 12-month periods of service.

DISCHARGES - Your obligation to repay this loan may be partially or totally discharged for the reasons specified in paragraphs A, B, C, and D below.

A. Death - In the event of your death, the school will discharge the total amount owed on this loan.

B. Total and Permanent Disability - Upon making a properly documented written request to the school, the total amount owed on this loan may be discharged if the U.S. Department of Education determines that you are totally and permanently disabled as defined in the Act and you meet certain other requirements.

C. School Closure - Under certain conditions, your total liability will be discharged, including refunding any amounts you have already paid on the loan, if you are unable to complete the program in which you were enrolled because your school closed.

D. Bankruptcy - Under certain conditions, your loan may be discharged in bankruptcy. In order to discharge a loan in bankruptcy, you must prove undue hardship in an adversary proceeding before the bankruptcy court.

STUDENT LOAN OMBUDSMAN - If you dispute the terms of your Federal Perkins Loan in writing to Austin College and are unable to resolve the dispute, you may seek the assistance of the Department of Education’s Student Loan Ombudsman. The Student Loan Ombudsman will review and attempt to informally resolve the dispute. www.ombudsman.ed.gov 1-877-557-2575

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