FEDERAL PERKINS LOAN STATEMENT OF RIGHTS AND RESPONSIBILITIES

The Federal Perkins Loan is a serious legal obligation. This is a loan intended for educational purposes only and must be repaid. Acceptance of this loan may affect your eligibility for other types of aid. For the most current information about federal student aid please go to www.StudentAid.ed.gov.

Austin College holds the note on the Federal Perkins Loan. Your Master Promissory Note (MPN) is the best source of information regarding the full terms and conditions of this loan. You may contact the Austin College Business Office at 900 N Grand Ave, Ste 6F Sherman TX 75090 or 903 813-2525 for information or to request copies of your MPN.

You must, without exception, notify the Austin College Business Office if you plan to withdraw from school; transfer to another school; or drop below half-time enrollment. You also must notify the office of changes to your name, address, social security number or telephone number.

Austin College reports the amounts of each disbursement; total amount of loan; payment amounts and current loan status to national credit bureau organizations beginning with the first disbursement.

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.heartlansecsi.com.

Loan Limits: The maximum annual loan limit for Perkins is $5,500.00 for undergraduate students. The maximum aggregate amount an eligible student may now borrow is (1)$27,500 for an undergraduate student who has completed two academic years and is pursuing a bachelor’s degree; and (2)$11,000 for any student who has not completed two academic years of undergraduate work.

Loan Counseling: You must complete an exit interview with the Austin College Business Office prior to withdrawal or graduation.

Interest Rate: The annual percentage rate of 5% will be the finance charge based on the unpaid balance.

Prepayment: You may repayment of all or any part of your unpaid loan balance, plus any accrued interest, may be made at any time without penalty.

Repayment: Interest starts to accrue and repayment begins 9 months after the date you cease to be at least a half-time student.

Austin College requires a minimum monthly payment of $40.00. Your repayment period may be shorter than the 10 year term specified in the MPN if the minimum monthly payment applies to your loan. The repayment period may be extended during periods of deferment, hardship, or forbearance.

Deferment: Scheduled repayment may be deferred if you submit timely proof of your inability to find full-time employment, suffering an economic hardship, engaging in a service described in the Cancellations section of your promissory note, being at least a half-time student, pursuing a course of study in an approved graduate fellowship program, graduate/post graduate fellowship program outside the United States, or rehabilitation training program.

Forbearance: Austin College must grant you forbearance for hardship, renewable at twelve (12) month intervals for a period not to exceed three (3) years, if your annual Title IV loan repayment obligation equals or exceeds twenty (20) percent of your gross income. You may otherwise qualify for forbearance, as determined by Austin College Business Office.

Cancellation: Partial and/or full cancellation of your loan is possible provided that you are a full-time special education teacher, full-time teacher of any field of expertise that is determined by the state...
education agency to have a shortage of qualified teachers, a full-time nurse or medical technician, full-time employee of a child or family service agency for high-risk children (under 21) and their families from low-income communities, a full-time teacher for a school that has a high number of students from low-income families, full-time staff member of the Head Start Program, a full-time speech-language pathologist who has a master’s degree and who is working exclusively with title I schools, full-time law enforcement or corrections officer, fire fighter, 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, a Peace Corps Volunteer, attorney employed in a Defender Organization.

**Loan Repayment Program:** Section 5379 of title 5, United States Code, authorizes agencies within the Department of Defense to establish a program under which they may repay certain types of federally made, insured, or guaranteed student loans as a recruitment or retention incentive for highly qualified candidates or current employees.

Agencies may make payments to a loan holder of up to $10,000 for an employee in a calendar year and up to an aggregate maximum of $60,000 for any one employee. In return, the employee must sign a service agreement to remain in the service of the paying agency for a period of at least 3 years. If the employee separates voluntarily or is separated involuntarily for cause or poor performance before fulfilling the service agreement, he or she must reimburse the paying agency for all benefits paid.

**Bankruptcy:** Student loans are not dischargeable in bankruptcy unless you are able to prove undue hardship in a court of law.

**Consolidation:** You may combine the Federal Perkins Loan with your other federal loans into a single Direct Consolidation Loan. This may allow you to simplify the repayment process by having all federal loans with one lender; lower your monthly payments or allow more repayment options; and extend your repayment period. All terms and benefits of the Federal Perkins Loan will be replaced with the new terms of a consolidation loan. You may lose your grace period and will not retain cancellation benefits. For more information about consolidation please go to [www.studentloans.gov](http://www.studentloans.gov).

Austin College Business Office and any collection agency or legal counsel under its direction can contact any school that you may attend or have attended to obtain information concerning your student status, year of matriculation, classification, dates of attendance, graduation or withdrawal, transfer to another school and the name of that school, and your current address.

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](http://www.ombudsman.ed.gov) 1-877-557-2575.

**When you, the student borrower, sign this statement, it means and implies that you fully and clearly comprehend your rights and responsibilities as given in your Master Promissory Note and agree to honor them.**

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Printed Name                                                                 Social Security No. or Student ID

__________________________________________       __________________________

Signature of Student                                                       Date