Summary of the Rights and Responsibilities

Entrance/Exit Counseling Information (cont.)

- You are responsible for using the proceeds of your Federal Perkins Loan only to pay authorized educational expenses.
- You are responsible for repaying the full amount of your Federal Perkins Loan even if you-
  - do not complete the program;
  - are unable to obtain employment upon completion; or
  - are dissatisfied with the program or other services you purchased from the school.
- You are responsible for notifying the financial aid office if you-
  - change your local address, permanent address, or telephone number;
  - change your name (for example, maiden name to married name);
  - do not enroll at least half-time for the loan period certified by the school;
  - do not enroll at the school that determined you were eligible to receive the loan;
  - stop attending school or drop below half-time enrollment;
  - transfer from one school to another school or drop below half-time enrollment;
  - if you graduate.
- You are also responsible for notifying the financial aid office if you-
  - change your employer, or your employer’s address or telephone number changes, or
  - have any other change in status that would affect your loan (for example, if you received a deferment while you were unemployed, but have found employment and therefore no longer meet the eligibility requirements for the deferment).
- Consolidation offers a Perkins borrower options they do not have under the Perkins regulations alone. Consolidation will increase the repayment time for a Perkins loan, plus any interest assessed. Length of repayment may be up to 30 years on all loans consolidated depending on the total loan amount. There are no fees to complete a consolidation loan. The borrower will also have access to forbearance, deferment, loan forgiveness and cancellation with consolidation. The grace period may be reduced depending on the time the consolidation loan is completed and accepted. With a consolidation loan, the borrower has the option to change their repayment plan at any time. Repayment plans may include extended, income sensitive, graduated, etc.
- Accepting this loan may impact other forms of student assistance. A student may not exceed the cost of attendance at the institution with all aid programs. Cancellation of your Direct Stafford Loans for a new borrower may also have a negative impact on the Perkins Loan.
- If your Federal Perkins Loan remains delinquent for 240 days, your loan will be declared in default. The School may assign your defaulted loan to the Department of Education for collection. You will be ineligible for any further Federal student financial aid until you make arrangements that are satisfactory to the School or the Department of Education to repay the loan. The School or the Department shall disclose to credit bureaus that you have defaulted and other relevant loan information. You will lose your right to defer payments and your right to forbearance if you default on your loan. The School or the Department may accelerate your defaulted loan, which means that the School 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 your right to receive cancellation benefits for service that is performed after the date the School or the Department accelerated the loan.
- The following actions can be taken if your Perkins Loan goes into default:
  - Garnisheeing the borrowers wages
  - Seizing tax refunds or personal property
  - Reporting of a bad credit rating for the borrower
  - Litigation
  - Additional fees may be assessed for collection expenses, late charges, and attorney’s fees.
- You are responsible for making payments on time, even if you do not receive a billing statement.
- Taxpayers may be eligible to deduct up to $2,500 of qualified student loan interest paid and/or other amounts paid such as origination fees and capitalized interest. Certain requirements must be met in order to take advantage of some or all of this deduction. For more information regarding tax benefits, borrowers should review publication 970 online at www.irs.gov.
- Borrowers may review their loan information through the National Student Loan Data System (NSLDS) online at www.nslds.ed.gov using their FSA ID.
- Borrowers must also read and review the Perkins Loan Disclosures, located online at http://www.ferrum.edu/student_links/financial_aid/aid_types/loans.html

You may contact the servicing agent-Campus Partners/Heartland if you have questions. The servicer is the agency that administers and collect loan payments for the loan holder. Campus Partners, PO Box 97004, Boston, MA 02297

(800) 334-8609 or online at www.mycampusloan.com

You may also contact the school by writing to us at: Ferrum College Business Office, P. O. Box 1000, Ferrum, VA 24088

By calling us at: 800-868-9797 or emailing Lola Cannaday at: lcannaday@ferrum.edu
Summary of the Rights and Responsibilities

Entrance/Exit Counseling Information

This is only a summary of your rights and responsibilities. For more detailed information, consult your Federal Perkins Loan Promissory Note or the holder of your loan.

- You have the right to receive a statement of your account upon request.
- The Master Promissory Note (MPN) is a multi-year note, meaning that loans may be disbursed to borrowers each year without signing a new MPN. Borrowers should carefully read the Master Promissory Note before signing. Borrowers may sign a new note for each loan and have the opportunity to opt-out of the multiyear feature of the MPN in writing to the Financial Aid Office. Ferrum College uses passive confirmation so borrowers will receive a receipt each semester a Perkins Loan is disbursed on their behalf. Borrowers have 30 days to cancel or reduce their loan proceeds after disbursement. Borrowers should always retain copies of all loan records. Examples of records are the MPN, Disclosure statements, repayment information, entrance/exit counseling, cancelled checks/money orders showing payments, deferment and forbearance requests, etc. Repayment of the Perkins Loan is very serious. By signing the Perkins Loan Master Promissory Note, you are accepting these funds to be credited to your account to assist in paying costs for higher education.
- Upon leaving the college, borrowers are required to complete exit counseling requirements for all federal loan programs.
- You have the right to prepay all or part of your loan without any penalty.
- If you graduate or leave school, or if your enrollment drops below half time, you have the right to a nine-month grace period before beginning repayment of your Federal Perkins Loan. The approximate date of your first payment is 30 days after your 9 month grace period ends.
- The Interest Rate for a Federal Perkins Loan is 5% fixed. The estimated monthly payment is $40/month.
- Borrowers should review their budgets and understand how personal finance can impact your ability to pay. Financial Literacy information can be accessed online at http://www.ferrum.edu/student_links/financial_aid/resources/financial_literacy.html. It is important to develop a realistic budget based on your minimum salary requirements. Borrowers should compare costs with the estimated monthly loan payments. Loan payments are a fixed cost, like rent or utilities.
- Ferrum College’s Satisfactory Academic Progress policy and Refund Policy, including the Return of Title IV funds policy can be found in the College Catalog at http://www.ferrum.edu/academics/catalog/index.html. Borrowers are encouraged to be familiar with these policies and how your ability may be impacted.
- You have the right to defer payments of your Federal Perkins Loan if you are attending an eligible postsecondary school as, at least, a half-time student, and in some cases if you are:
  - participating in a rehabilitation training program;
  - enrolled and attending graduate school;
  - participating in an internship or residency program in dentistry;
  - seeking but unable to find full-time employment;
  - experiencing economic hardship;
  - serving in the Peace Corps;
  - are receiving payment from a federal or state public assistance program;
  - performing qualifying military service, or
  - repaying federal education loans that exceed, or for which, the payments exceed certain specified amounts.
- If your Federal Perkins Loan is placed in deferment, you will not have to make payments, and interest will not accrue. You are responsible for obtaining, completing, and returning to the school for processing, any forms required to apply for forbearance, deferment, or cancellation benefits. Students who transfer to other eligible institutions should complete an in-school deferment form and deliver to the records office at the new school.
- The borrower has the option to change repayment plans. You should contact the servicing agent or the Ferrum College representative to inquire about your options.
- You have the right to forbearance – a temporary cessation of payments, an extension of the time for making payments, or temporarily making smaller payments than were previously scheduled under certain health-related or financial circumstances.
- You have the right to have part of all of your loan cancelled for:
  - death or total and permanent disability;
  - full-time employment in the Head Start Program or full-time staff member in a child care or pre-Kindergarten program;
  - full-time employment as a teacher in an elementary school serving low-income students;
  - full-time teaching as a special education teacher;
  - full-time teaching of certain academic subjects in which there are teacher shortages;
  - full-time employment as a nurse or medical technician;
  - full-time employment in a public or nonprofit child or family service agency;
  - full-time service as a qualified professional provider of early intervention services;
  - full-time employment as a law enforcement or corrections officer or firefighter;
  - military service in a hostile fire/imminent danger area;
  - full-time employment as a librarian with a master’s degree or speech language pathologist with a master’s degree;
  - full-time employment as a faculty member in a tribal college; or
  - full-time employment as a federal public defender or federal community defender.