

FINANCIAL AID FEDERAL PERKINS LOAN INFORMATION SHEET

You have been offered a Federal Perkins Loan for the academic year; if you would like to accept the loan, promptly complete the following steps to ensure that your loan is processed and credited to your VCU student bill in a timely manner:

1. **Read and complete the Federal Perkins Loan Master Promissory Note (MPN) [enclosed].** Complete the MPN using blue or black ink (do not use pencil). Review the preprinted items and provide information for any items that are not preprinted. Cross out any incorrect information, print the correct information, and initial the change. Remember to sign and date the MPN at the bottom of page 1; you may not cross out, white out, or have a double signature.
2. **Complete the Perkins Biographical Data Sheet [enclosed].** Remember to sign and date the form.
3. **Return the Biographical Data Sheet and page 1 of the Perkins MPN.** Faxing the MPN is not acceptable –the original document must be returned; it may be hand-delivered to Harris Hall Student Services Center, 1015 Floyd Avenue or mailed to:

VCU Office of Financial Aid
P.O. Box 843026
Richmond, VA 23284-3026

The Biographical Data Sheet may be mailed, hand-delivered, or faxed to (804) 827-0060.

4. **Keep the attachments to the Federal Perkins Loan Master Promissory Note for your records.** We also recommend that you keep a copy of all documents that you submit to the VCU Office of Financial Aid.

The VCU Office of Financial Aid must receive these documents before funds can be credited to your VCU student bill. If you have not returned the MPN within 30 days after receiving it, your loan may be cancelled. If you have any questions, please contact the VCU Office of Financial Aid.

FREQUENTLY ASKED QUESTIONS ABOUT THE FEDERAL PERKINS LOAN PROGRAM

What is the Federal Perkins Loan Master Promissory Note (MPN)? The Perkins MPN is a binding legal document that you sign when you borrow loan funds; it lists the terms and conditions under which you borrow and agree to pay back the loan; and it is used to receive multiple Perkins loans while enrolled at VCU.

What is the maximum amount that I can borrow? The amount that you can borrow each year is dependent upon your financial need, the total funds available to award and annual and aggregate (life-time) loan limits. Undergraduates may borrow up to an annual limit of \$5,500 with an aggregate loan limit of \$27,500; graduate students may borrow up to \$8,000 annually with an aggregate loan limit of \$60,000, including loans received as an undergraduate. VCU will offer the maximum amount for which you are eligible based on VCU awarding policy.

Will the Perkins loan affect my ability to receive additional financial aid? The Perkins loan is part of a total financial aid package that was prepared to help you meet your educational expenses. Due to federal policy, the loan may affect your eligibility to receive other student financial aid beyond those listed on your Financial Aid Award Notification. Your loan may be reduced or cancelled if you receive additional resources such as scholarships or grants not listed on your notification; you will be notified if your loan or other financial aid awards are revised.

Other than interest, are there any charges associated with the Perkins loan? There are no fees involved with borrowing the Perkins loan. But, after you start to repay, if you skip a payment, make a payment late, or make less than a full payment, you will be charged a late fee. If you continue not making payments as required, you will have to pay collection costs.

How do I repay the Perkins loan? Repayment begins in the tenth month after you cease to be enrolled at least half time. During the nine-month "grace period," interest will not accrue on your loan. Once the grace period expires, your loan will accrue interest and you will begin to repay your loan. When you enter the repayment phase you will make payments to VCU (the "holder" of your loan) for the amount of your loan plus interest (5 percent) and other applicable charges. You will make your payments to Campus Partners, VCU's billing and payment service. Their address is Campus Partners, P.O. Box 2902, Winston-Salem, NC 27102-2902, and their telephone number is 1-800-334-8609.

How much will I have to repay each month? Your monthly payment amount will depend on the size of your debt and the length of your repayment period. The table below shows typical monthly payments and total interest charges for three different 5-percent loans over a 10-year period.

Can I consolidate the Perkins loan with other federal student loans? You may be able to consolidate the loan with your other federal loans. Consolidation is similar to refinancing in that all of your federal loans will be combined into one loan, and you will have one payment each month. If you are interested in consolidation, contact *Direct Loan Consolidation* at 1-800-557-7392 when you leave school; information is available on the web (www.loanconsolidation.ed.gov).

What other information should I be aware of? The Department of Defense offers a loan repayment program as an enlistment incentive. Also, there are several important details on your MPN including:

- Information about your right to repay the loan in full or in part prior to its due date without penalty.
- VCU is required to report the outstanding balance of your loan to a national credit bureau at least annually.
- Your loan will be considered in default if you fail to make a monthly payment when it is due or fail to comply with other MPN terms or other written repayment agreements. VCU is required to report defaulted loans to a national credit bureau.
- If you fail to submit your monthly payment by the due date, you may be charged late fees, collection costs, and litigation costs. You should make monthly payments regularly and on time to avoid additional costs and adverse credit reporting.

