

The Federal Perkins Loan Program Extension Act of 2015 has allowed the University of Toledo to package Perkins Loans again. Since the Federal Perkins Loan Program is ending September 30, 2017, no additional loans will be available under this program after September 30, 2017. For undergraduate students, any offered loan must be accepted and disbursed prior to September 30, 2017 to remain eligible for the full academic year. For graduate/professional students, any offered loan must be accepted and disbursed prior to September 30, 2016 to remain eligible for the full academic year.

FEDERAL LOAN INTEREST RATE COMPARISON

LOAN PROGRAM - CURRENT INTEREST RATES BY PROGRAM TYPE

- Perkins for students - 5% fixed rate
- Stafford for students - 4.29% fixed rate for undergraduate subsidized and unsubsidized loans.
- Stafford for students - 5.84% fixed rate for Graduate/Professional unsubsidized loans
- PLUS for Parents & Graduate/Professional Students - 6.84% fixed rate

The Perkins Loan interest rate is fixed at 5%. The interest rates for Direct Loans are determined annually on July 1. To view the latest interest loan information visit studentaid.gov/interest.

FEDERAL PERKINS LOAN ELIGIBILITY AND REPAYMENT

Your Direct Subsidized and Unsubsidized Stafford Loan eligibility must be calculated prior to determining your eligibility for Federal Perkins Loan funds. The repayment and forgiveness options for the Direct Stafford Loans are not available for Federal Perkins Loans.

LOAN CONSOLIDATION

If you have substantial student loan debt, you may want to contact your loan servicer to consolidate all of your eligible loans into one.

Advantages:

- Up to 30 years for repayment (depending on your loan balance)
- One monthly payment
- May lower the interest rate on some or all of your loan debt (extending the term beyond the 10 years increases total interest paid)
- Interest rates on consolidation loans are fixed rates that do not change over time rather than variable rates that do change over time.

Disadvantages:

- Extending the term beyond the 10 years increases total interest paid
- Loss of certain deferment and forbearance options
- Loss of all Perkins Loan cancellation provisions
- Loss of Perkins 9 month grace period

FEDERAL AND DIRECT LOAN CONSOLIDATION

Borrowers who consolidate through either Federal consolidation or Direct Loan consolidation will maintain the interest subsidy on that portion of their new consolidation loan that is made up of Subsidized Stafford Loans as long as the borrower qualifies for deferment on their consolidation loan.

Federal Perkins loans are treated differently with regard to their interest-free status in Federal and Direct Loan consolidation. Federal Perkins loans consolidated into Federal consolidation are no longer interest-free even if the borrower is in deferment on their Federal consolidation loan. However, Federal Perkins loans consolidated into Direct Loan consolidation remain interest-free as long as the borrower is in deferment on their Direct Consolidation loan.

Both Health Professions Student Loans and Loans for Disadvantaged Students lose their interest-free status when they are consolidated into either Federal or Direct Loan consolidation, even if the new consolidation loan is in deferment.

LOAN MAXIMUMS

The maximum amount an eligible student may borrow is \$5,500 per award year for a student who has not successfully completed a program of undergraduate education or \$8,000 per award year for a graduate or professional student.

The aggregate loan limits now include only unpaid principal. (Previously, a student who had borrowed the maximum cumulative amount for a graduate or professional student would not be eligible for another loan even if the student had repaid part or all of the amount he or she had borrowed.) The maximum aggregate amount loan limits cite 34 CFR 674.12.

Annual maximum loan:

- Undergraduate \$5,500
- Graduate \$8,000

Aggregate maximum loan:

- Undergraduate: \$27,500
- Graduate \$60,000

CREDIT BUREAU REPORTING

Credit bureau reporting is required and done at least annually.

FINANCIAL AID ELIGIBILITY

Acceptance of this loan may affect your eligibility for other types of financial aid.

DEPARTMENT OF DEFENSE LOAN REPAYMENT

Under certain circumstances, military personnel may have educational loans repaid by the Secretary of Defense. This benefit is offered as part of a recruitment program that does not apply to individuals based on their previous military service or to those who are not eligible for enlistment in the U.S. Armed Forces. For more information, contact your local military service recruitment office.

RIGHT TO CANCEL

You have fifteen (15) days to cancel a loan, once the loan is disbursed.