



MOUNT ST. JOSEPH  
UNIVERSITY

## Federal Perkins Loan Disclosure Statement

You have been awarded a Federal Perkins Loan for the 2017-2018 academic year. As required by the U.S. Department of Education, this disclosure provides additional information surrounding the Federal Perkins Loan Program.

### **1. Notice and explanation regarding the end to future availability of the Federal Perkins Loan Program:**

As of December 18, 2015, the Federal Perkins Loan Extension Act of 2015 was put into a effect that extended the Federal Perkins Loan Program through September 30, 2017. With this extension, MSJ was permitted to award and disburse additional Federal Perkins Loan funds to our students. First disbursement of funds must be disbursed to students' account by September 30, 2017 in order to maintain eligibility. Without Congressional action, the Federal Perkins Loan Program is expected to end as of September 30, 2017. Therefore, no future Federal Perkins Loan funds will be available after this date. However, subsequent disbursements will be available if the first disbursement is released prior to September 30, 2017.

### **2. Notice and explanation that repayment and forgiveness benefits available to Direct Loan borrowers are not available to Federal Perkins Loan borrowers:**

Loan repayment and forgiveness options like the income driven repayment plans and the Public Service Loan Forgiveness Program that are available for the Federal Direct Stafford Loans are not available for the Federal Perkins Loan Program. You can contact your loan service provider for assistance with repayment and loan forgiveness options.

### **3. Notice and explanation regarding the borrower's option to consolidate a Federal Perkins Loan into a Direct Consolidation Loan, including any benefit of consolidation:**

When determining whether to consolidate a Federal Perkins Loan into a Direct Consolidation Loan you must consider both the advantages and disadvantages.

#### **Advantages:**

- If you currently have federal student loans that are with different loan servicers, consolidation can greatly simplify loan repayment by giving you a single loan with just one monthly bill.
- Consolidation can lower your monthly payment by giving you a longer period of time (up to 30 years) to repay your loans.
- If you consolidate loans other than Direct Loans, it may give you access to additional income-driven repayment plan options and Public Service Loan Forgiveness.

**Disadvantages:**

- Because consolidation usually increases the period of time you have to repay your loans, you might make more payments and pay more in interest than would be the case if you don't consolidate.
- Consolidation may also cause you to lose certain borrower benefits—such as interest rate discounts, principal rebates, or some loan cancellation benefits—that are associated with your current loans.
- If you're paying your current loans under an income-driven repayment plan, or if you've made qualifying payments toward Public Service Loan Forgiveness, consolidating your current loans will cause you to lose credit for any payments made toward income-driven repayment plan forgiveness or Public Service Loan Forgiveness.

**4. Notice and explanation providing a comparison of the interest rate of Federal Perkins Loans and Federal Direct Loans, and informing the borrower that the borrower has reached the maximum annual borrowing limit for Federal Direct Subsidized and Federal Direct Unsubsidized Stafford Loans for which the borrower is eligible as current and/or new undergraduate borrowers.**

Currently, the Federal Perkins Loan interest rate is fixed at 5.00% and the interest rate for Federal Direct Stafford Loans is fixed at 4.45% over the life of the student loans.

Undergraduate Yearly Maximum Loan Amounts:

Dependent Undergraduate Student*	Credit Hours	Maximum Yearly Sub/Unsub Amount	Maximum Yearly Additional Unsub Amount	Maximum Yearly Combined Sub/Unsub Amounts
Freshman	0-28	\$ 3,500	\$ 2,000	\$ 5,500
Sophomore	29-59	\$ 4,500	\$ 2,000	\$ 6,500
Junior	60-91	\$ 5,500	\$ 2,000	\$ 7,500
Senior	92+	\$ 5,500	\$ 2,000	\$ 7,500

\*Dependent undergraduate student have an aggregate Federal Direct Stafford Loan limit of \$31,000.

Independent Undergraduate Student*	Credit Hours	Maximum Yearly Sub/Unsub Amount	Maximum Yearly Additional Unsub Amount	Maximum Yearly Combined Sub/Unsub Amounts
Freshman	0-28	\$ 3,500	\$ 6,000	\$ 9,500
Sophomore	29-59	\$ 4,500	\$ 6,000	\$ 10,500
Junior	60-91	\$ 5,500	\$ 7,000	\$ 12,500
Senior	92+	\$ 5,500	\$ 7,000	\$ 12,500

\*Independent undergraduate student have an aggregate Federal Direct Stafford Loan limit of \$57,500.

Please visit [www.studentaid.ed.gov](http://www.studentaid.ed.gov) for additional information on the different types of Federal Student Loans and repayment and consolidation options available for students. Also, you can view your Federal Student Loans by logging onto the National Student Loan Data System (NSLDS) at [www.nsls.ed.gov](http://www.nsls.ed.gov).

Please do not hesitate to contact Student Administrative Services at 513-244-4418 or [financial.aid@msj.edu](mailto:financial.aid@msj.edu) if you have any questions.