

Your financial aid award contains a Federal Perkins Loan. The federal government requires that a student be informed of his or her responsibilities prior to receiving the first disbursement of that loan. This is done through an “**entrance interview**” process. As the borrower you will also be required to complete an “**exit interview**” upon graduating, transferring or withdrawing from the college, to again explain the rights and responsibilities in reference to the loan.

FEDERAL PERKINS LOAN

This Federal Perkins Loan brochure is our way of handling the entrance interview process. Included in this document are other information materials to assist you in understanding the Federal Perkins Loan. We encourage you to read the materials thoroughly, review the following frequently asked questions and answers, and call us if you have any further questions.

What about Federal Perkins Loans?

A Federal Perkins Loan is a low-interest (5 percent) loan for both undergraduate and graduate students with exceptional financial need. Federal Perkins Loans are made through a school’s financial aid office. Your school is your lender, and the loan is made with government funds. You must repay this loan.

Your school will either pay you directly (usually by check) or apply your loan to your school charges. You’ll receive the loan in at least two payments during the academic year.

How much can I borrow?

Depending on when you apply, your financial need, and the funding level at the school, you can borrow up to \$4,000 for each year of undergraduate study.

Other than interest, is there a charge for this loan?

No, there are no other charges. However, if you skip a payment, if it’s late, or if you make less than a full payment, you may have to pay a late charge plus any collection costs.

How will I be paid?

Guilford will credit your account. You’ll receive the loan in at least two payments during the academic year. (There’s one exception: If the total Perkins Loan you receive is \$500 or less, Guilford may pay you just once during the year, if it chooses.)

Will I have an opportunity to cancel my loan after I apply?

Yes. Your school must notify you in writing \ whenever it credits your account with your Perkins Loan funds. This notification must be sent to you no earlier than 30 days before, and no later than 30 days after the school credits your account. You may cancel all or a portion of your loan by informing your school that you wish to do so within 14 days after the date that your school sends you this notice, or by the first day of the payment period, whichever is later. Your school can tell you the first day of your payment period. If you receive Perkins Loan funds directly by check, you may refuse the funds by not endorsing the check.

So, when do I pay back this loan?

If you're attending school at least half time, you have 9 months after you graduate, leave school, or drop below half-time status before you must begin repayment. This is called a grace period. If you're attending less than half time, check with your college or career school to find out how long your grace period will be. At the end of your grace period, you must begin repaying your loan. **You may be allowed up to 10 years to repay the loan in full.** Periods of deferment and forbearance (see the next paragraph for more information on these terms) do not count as part of this 10-year period. Your monthly payment amount will depend on the size of your debt and the length of your repayment period.

How much will I have to pay each month?

The amount of each payment depends on the size of your debt and on the length of your repayment period. Usually, you must pay at least \$40 per month. In special cases—for example, if you're unemployed or ill for a long period of time—your school may allow you to make payments that are less than \$40 per month or may extend your repayment period.

The following chart shows typical monthly payments and total interest charges for three different 5 percent loans over a 10-year period.

Examples of Typical Payments for Perkins Loan Repayment				
Total Loan Amount	No. of Payments	Monthly Payment	Total Interest Charges	Total Repaid
\$ 4,000	119	31.84	\$871.86	\$3,817.86
	1	28.90		
8,000	119	53.06	1,363.40	6,363.40
	1	49.26		
16,000	119	159.16	4,090.85	19,090.85
	1	150.81		

What if I have trouble repaying the loan?

Under certain circumstances, you can receive a deferment or forbearance on your loan. During a deferment, no payments are required, and interest does not accrue. During forbearance, your payments are postponed or reduced. Interest continues to accrue, and you are responsible for paying it. A Perkins Loan can also be canceled under certain circumstances, like if you die or become totally and permanently disabled. You also might qualify for having your loan canceled because of the type of work you do once you leave school.

Repayment assistance (not a cancellation, but another way to repay) may be available if you serve in the military. For more information, contact your recruiting officer.

If you have more questions about Perkins Loans, check with the college or career school you plan to attend.

REPAYMENT COMMUNICATIONS AND PATIENTS SHOULD BE DIRECTED TO THE GUILFORD COLLEGE BILLING AGENT:

EFG TECHNOLOGIES, INC.
PO Box 1810
Winston Salem, NC 27102

Chart A

Federal Perkins Loan Deferment Provisions

Deferment Conditions	Federal Perkins/ National Direct Disbursed on or after 7/1/93	Federal Perkins Disbursed Before 7/1/93 & on or after 7/1/87	National Direct Disbursed Before 7/1/93 & on or after 10/1/80	National Direct Disbursed Before 7/1/93 & on or after 10/1/80	National Defense
Half-time enrollment	No limit	No limit	No limit	No limit	No limit
Less than half-time enrollment as a regular student	N/A	N/A	N/A	N/A	3 years
Rehabilitation training	No limit	N/A	N/A	N/A	N/A
Graduate Fellowship Study	No limit	N/A	N/A	N/A	N/A
Eligible internship or residency program	N/A	2 years	2 years	N/A	N/A
Inability to secure full-time employment	3 years	N/A	N/A	N/A	N/A
Economic hardship	3 years	N/A	N/A	N/A	N/A
Hardship as determined by school	N/A	No limit	No limit	No limit	No limit
Peace Corps / ACTION program volunteer	3 years	3 years	3 years	3 years	3 years
Full-time volunteer for tax-exempt organization in service comparable to Peace Corps or ACTION	N/A	3 years	3 years	N/A	N/A
U.S. Armed Services	3 years	3 years	3 years	3 years	3 years
Officer in Commissioned Corps of U.S. Public Health Service	N/A	3 years	3 years	N/A	N/A
National Oceanic and Atmosphere Admin. Corps	N/A	3 years	N/A	N/A	N/A
Temporary total disability or care for a temporarily totally disabled spouse / dependent	N/A	3 years	3 years	N/A	N/A

Chart B

Federal Perkins Loan Cancellation Conditions

Cancellation Criteria	Federal Perkins/ National Direct Made on or after 7/23/92	Federal Perkins/ National Direct 7/23/92	National Direct Made Prior to 7/23/92	National Defense
Total and permanent disability or death of borrower	100%	100%	100%	100%
Full-time employment in a Head Start Program	100%	100%	100%	N/A
Full-time law enforcement or corrections officer	100%	100%	100%	N/A
Full-time teaching in low-income school eligible for funding under Chapter 1 of the Education Consolidation and Improvement Act of 1981	100%	100%	100%	100%
Full-time special education teacher, including teacher of infants, toddlers, children or youth with disabilities	100%	N/A	N/A	N/A
Provider of early intervention services in a public or nonprofit program under public supervision	100%	N/A	N/A	N/A
Full-time teacher of handicapped students in a public or nonprofit elementary/secondary school	N/A	100%	100%	100%
Full-time teacher of mathematics, science, foreign languages, bilingual education or any field of expertise determined by the state education agency to have a shortage of qualified teachers	100%	N/A	N/A	N/A
Provider or supervisor of provision of services to high-risk children from low-income communities and their families	100%	N/A	N/A	N/A
Nurse or medical technician providing health care services	100%	N/A	N/A	N/A
Peace Corps or ACTION programs volunteer	70%-Perkins N/A-Natl. Direct	70%	N/A	N/A
Service in U.S. Armed Forces	50%	50%	50%	50%
Full-time teaching in public/nonprofit elementary/secondary school, institution of higher education or overseas Department of Defense elementary/secondary school	N/A	N/A	N/A	50%
Bankruptcy	In some cases	In some cases	In some cases	In some cases