Policy Name: Federal Perkins Loans Program

Purpose: This document contains the Office of Financial Aid’s current policies and procedures for the Federal Perkins Loan.

Disclaimer: This policy is subject to change, without notice, in order to comply with administrative and regulatory requirements. All policies and procedures below are in accordance with Title 34; Subtitle B; Chapter VI; Part 674 of the Electronic Code of Federal Regulations (eCFR).

Policy Contents:

4.0 Federal Perkins Loan Overview
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Definitions and Terms:

OFA – Office of Financial Aid
EFC – Expected Family Contribution
FAFSA – Free Application for Federal Student Aid
MPN – Master Promissory Note
UM – University of Mississippi
The Federal Perkins Loan is a low-interest, long-term loan made to undergraduate and graduate students who demonstrate financial need in order to help pay for their cost of education. Although Perkins is a federal loan (which has been supplemented by an institutional match), UM is responsible for administering the loan program on our campus. Students repay their Perkins loan obligation directly to UM (and/or UM’s loan servicing partner).

The maximum amount an undergraduate student may borrow is $5,500 per award year; the maximum for a graduate or professional student is $8,000 per award year. Loans may also be available in the summer based on the level of remaining funds. The loan carries a fixed interest rate of 5% and has no origination or guarantee fees.

Interest does not accrue on the loan for the student during:

- Periods of deferment (including enrollment at least half-time in college or career school, active duty military service, etc.)
- The nine-month grace period after the student ceases attendance on at least a half-time basis.

Perkins aggregate loan limits:

- $11,000 for any student who has not completed two academic years of undergraduate work.
- $27,500 for an undergraduate student who has completed two academic years and is pursuing a bachelor’s degree.
- $60,000 for a graduate or professional student, including loans borrowed as an undergraduate student.

Repayment of Perkins loans does not begin until the student graduates or drops below half-time status. In cases of economic hardship, payments may be deferred, extended, or reduced. The loan is forgiven in cases of permanent disability or death. The student may be allowed up to 10 years to repay the Perkins Loan.

Certain professions and public service activities may qualify the borrower in the future for loan cancellation (including service in teaching, the Peace Corps, law enforcement, and nursing.) Perkins Loans may also be consolidated with Federal Direct Loans for repayment purposes.
The OFA determines a student’s Perkins loan eligibility based on information provided on the student’s most recent FAFSA. Because Perkins loan funds are limited, it is recommended that students submit the FAFSA as early as possible to ensure full consideration.

Federal criteria include:

- Is a United States citizen or eligible non-citizen.
- Is not in default of any federal student loan.
- Does not have a Federal Pell Grant overpayment.
- Has a processed FAFSA on file with the OFA.
- Demonstrates financial need.
- Is making Satisfactory Academic Progress (see policy “1.2 Satisfactory Academic Progress”).

Loans are issued for a single academic year or semester, and both eligibility and amount are re-determined annually throughout the student’s academic career. Generally, to determine the amount of each disbursement, the award amount is divided by the number of payment periods a student will attend. However, if a student incurs uneven costs or receives uneven resources during the year and needs extra funds in a particular payment period, OFA may disburse additional Perkins amounts to the student in whatever manner best meets the student’s needs.

Students who demonstrate exceptional financial need will be given priority during the Perkins awarding process. For this purpose, OFA defines exceptional financial need as any student with an EFC equal to or less than $3000. Undergraduates are packaged automatically for Fall/Spring on this basis until the allotted funds are exhausted. The typical annual award is $2,000 for Fall/Spring (or $1,000 per semester). These amounts can only be manually increased with the permission of an OFA supervisor on a case-by-case basis.

In addition, both undergraduates and graduate/professional students may be awarded manually upon request following a determination by a financial aid advisor that they are experiencing financial hardships or obstacles. They must demonstrate financial need for the award.

**Summer Awarding**

Summer Perkins loans can be awarded to students who complete the Summer Financial Aid Application. Since summer is considered a trailer to the award year, the remaining Perkins funds are typically limited and may be exhausted. Therefore, Summer Perkins awarding criteria above the federal requirements varies with each aid year. As with
Fall/Spring awarding, Summer students can also be manually awarded Perkins on a case-by-case basis.

**Part 4.2 Perkins Master Promissory Note (MPN)**

Before the Federal Perkins Loan can disburse, the student must complete all of the following actions (in addition to maintaining eligibility for the award):

1. Accept all or a part of the financial aid package by accessing their individual “Financial Aid Notification” online in the student’s MyOleMiss portal.

2. Complete Perkins Loan Entrance Counseling online at [Ole Miss Online Entrance Counseling](http://olemiss.edu) (or request alternate counseling options from the OFA). Financial aid advisors are available during regular business hours to answer questions at the completion of the counseling session.

3. Print the Perkins Loan Contract (MPN), which is presented electronically through the student’s “Financial Aid Award Notification” in MyOleMiss. (If the student wishes to process via paper correspondence only, the MPN can be mailed to them upon request.)

4. Submit the completed MPN by mail or in person to the Bursar’s Office (202 Martindale, P.O. Box 1848, University, MS 38677). Contracts must be original signed documents and cannot be faxed or scanned.

For information about the borrower’s rights and responsibilities, please refer to [http://finaid.olemiss.edu/borrowers-rights-and-responsibilities/](http://finaid.olemiss.edu/borrowers-rights-and-responsibilities/).

The Bursar’s Office handles loan servicing on behalf of UM, including Perkins loan exit counseling. Students may consult the Bursar’s office for specific polices and procedures regarding the process for handling forbearance or deferment requests, reviewing continued eligibility for deferment on an annual basis, contact with borrowers, billing, collection, litigation, and cancellation.