

The Perkins Loan program has been extended through September 30, 2017. In addition to disclosures required under 34 CFR 674.16, the Federal Perkins Loan Extension Act of 2015 requires schools to provide the following disclosures to each Perkins Loan borrower before making a first disbursement of a Perkins Loan.

The disclosures are as follows:

- **The Federal Perkins Loan program will expire September 30, 2017.**
 - No new loans will be granted after this date and future extensions to the Perkins Loan program are prohibited.
- **Repayment options and forgiveness benefits for Federal Direct Loans are not available to Federal Perkins Loan Borrowers.**
 - The repayment period for a Perkins Loan is 10 years. Federal Direct Loans have an array of repayment options, including plans based on income. Unfortunately, these options are not available under the Federal Perkins Loan Program.
 - Forgiveness benefits provided under the Direct Loan Program are not available under the Federal Perkins Loan Program.
 - The Federal Perkins Loan Program does have its own cancellation provisions for full-time workers in some public service fields, such as *teachers, nurses, child or family service workers, active duty military, firefighters and police, and a number of other public and volunteer services*. For more information regarding repayment and forgiveness options, visit <https://studentaid.ed.gov/sa/repay-loans>.
- **Federal Perkins Loans and Federal Direct Loans may be consolidated into a Federal Direct Consolidation Loan.**
 - **Benefits:**
 - **One Monthly Payment:** A consolidation loan combines the borrower's eligible loans into a single loan.
 - **Additional Repayment Options:** Students having difficulty keeping up with their loan payments may choose a different repayment plan. By extending the term of the loan, or by selecting a payment plan which matches income levels to ability to pay, borrowers who consolidate sometimes have lower monthly payments. *It should be noted that extending the repayment period will add to the total interest on the loan over its lifetime.*
 - **Drawbacks:**
 - **Additional Interest:** Extending repayment terms generally adds more total interest to a loan over its entire lifetime.
 - **Loss of Loan Cancellation Benefits:** If the Federal Perkins Loan borrower is, or will be, a public school teacher or teaching math, science, or special education subjects, the borrower may qualify for Federal Perkins Loan cancellation. When Perkins Loans are consolidated along with other outstanding federal loans, this cancellation benefit is eliminated.
 - **For more information about loan consolidation, visit** <https://studentaid.ed.gov/sa/repay-loans/consolidation>.

- **Federal Loan Interest Rate Comparison**

Loan Program	Interest Rate	Degree Level
Federal Perkins Loan	5.00%	Undergraduate and Graduate
Federal Direct Loan-Subsidized	3.76%	Undergraduate
Federal Direct Loan-Unsubsidized	3.76%	Undergraduate
Federal Direct Loan-Unsubsidized	5.31%	Graduate
Federal Plus Loan	6.31%	Undergraduate and Graduate

- **Loan Limits**

- The Federal Perkins Loan may only be used for educational expenses. To be eligible to receive this loan, students must have been awarded the maximum annual Direct Subsidized and Unsubsidized Loan for which they are eligible. Students may decline or reduce either of the Direct Loans if they choose; however, the full amounts of those loans must be included in the calculation of aid prior to awarding a new Federal Perkins Loan.
- Federal Direct Subsidized and Unsubsidized Loans have varying loan limits depending on year in school, dependency status, and amount awarded by institution. In general, aggregate loan limits are \$31,000 for dependent students, \$57,500 for independent students, and \$138,500 for graduate or professional students. More detailed information regarding loan limits between subsidized and unsubsidized loans can be found at <https://studentaid.ed.gov/sa/types/loans/subsidized-unsubsidized>.