

## **FEDERAL PERKINS STUDENT LOAN**

A Federal Perkins Loan is a low-interest (5 percent) loan for both undergraduate and graduate students with financial need. UWRF is the lender. The loan is made with government funds with a share contributed by UWRF. The borrower must repay this loan to UWRF. The principal and interest that is repaid is deposited back into the loan fund to lend out again to current and future students.

The first time a Federal Perkins loan is awarded and then accepted by the student, a Master Promissory Note (MPN) is created for the student to sign. Please allow 24 to 36 hours after accepting the award for UWRF to have the promissory note prepared for signing. Usually the student needs to sign the legal document only once while attending UWRF. UWRF now uses an electronic MPN which requires an electronic signature. (See [Process my Perkins Loan](#) link)

UWRF has contracted with Educational Computer Systems Incorporated (ECSI) to service their Federal Perkins loan program. All the way from creating and maintaining the promissory note through the billing processes. ECSI has been in the business of servicing student loans for over 30 years. With ECSI, you may access your account at any time over the Internet at <http://www.ecsi.net> . Also ECSI has Customer Service Representatives available Monday through Friday, 6:30 AM through 6:30 PM. Questions about the Perkins loans may be directed to ECSI .

Educational Computer Systems, Incorporated  
181 Montour Run Road  
Coraopolis, PA 15108  
(888) 549 – 3274  
<http://www.ecsi.net>

If ECSI is unable to answer your questions, you may contact the school at:

UWRF Educational Loan Officer  
Accounts Receivable Office  
North Hall, Room 215  
River Falls, WI 54022  
(715) 425 – 3142

## **GENERAL TERMS**

The following information is a summary from a Master Promissory Note. It is the legal document governing the relation of UWRF and the borrower.

### **CHANGE OF STATUS**

The Borrower (student) has the responsibility to notify ECSI when they stop attending the University as at least a half-time student. They should also update their addresses and telephone numbers in eSIS (Falcon Account) . The borrower should also provide the same information to ECSI. Until the borrower changes any of the information with ECSI, they will use the original information as provided with the Master Promissory Note.

### **EXIT INTERVIEW**

Exit interviews inform the borrower of their Rights and Responsibilities regarding their Perkins loan. This is a separate and different exit procedure than the Stafford loans. Once a student's attendance at UWRF falls below at least a half-time status, they should contact ECSI to set up an Exit Interview. ECSI will provide information as to where to go on-line for the interview (through [www.ecsi.net](http://www.ecsi.net)). Until the borrower completes their interview, a hold will be on their records. Once the interview is completed, the hold on your record shall be removed within a week.

## **REPAYMENT TERMS**

There is a ten year repayment period. For loans totaling less than \$3700, the minimal monthly payment will be \$40. For larger loans, the monthly payment will be set at the amount needed to pay the account within the ten year time limit. The borrower may pay the account in full at any time without penalty.

The repayment period begins ten months from the date the borrower ceases to be at least a half-time student. The initial grace period is nine months during which no principal or interest accrues and no payment is due. Interest begins to accrue at the end of the nine month grace period. The interest rate is locked at five percent (5%).

Payments should be sent to ECSI and may be made through the mail, over the Internet, or over the telephone. Remittances should be payable to the UWRF c/o ECSI.

Mail: UWRF c/o ECSI  
181 Montour Run Road  
Coraopolis, PA 15108

Internet: <http://www.ecsi.net>  
The borrower would need to log into their account and follow the instructions

Telephone: (888) 549-3274  
Customer Service Representatives are available Monday through Friday,  
from 6:30 AM to 6:30 PM (Central Time).

Payments are due the first of each month. If payment or reason for not making payment (deferral or cancellation requests) are not submitted by the first of the month, the account would be subject to a late charge. Filing deferral/cancellation requests and paying in a timely matter are the borrower's responsibilities.

## **ACCELERATION OF REPAYMENT**

The borrower may accelerate repayment of the loan (pay loan off early) without penalty. By paying the account down, less interest is charged. So if the borrower sends an early or extra payment they should indicate whether it is to be applied as a regular scheduled payment or to be applied as an accelerated payment. Payments received without any notation are treated as an accelerated payment.

## **ACCELERATION OF NOTE & COLLECTION COSTS**

At any time, the University has the option of accelerating the note, which is to declare the entire amount of the loan due immediately. However it usually is only done when the borrower does not

make payments or file proper deferment requests. Accelerated loans are ineligible for deferments provisions and cancellation benefits.

If satisfactory payments are not being made and additional collection effort is taken, the cost of that effort will be added to the borrower's account.

## **CREDIT REPORTING**

Information about the Federal Perkins loan is reported to a National Credit Bureau on a monthly basis.

Federal Perkins loan information is also reported to the National Student Loan Data System (NSLDS) monthly. NSLDS is a database of all Federal Student Loans. Borrowers may check on their Federal loans by accessing the NSLDS at: [http://www.nsls.ed.gov/nsls\\_SA/](http://www.nsls.ed.gov/nsls_SA/) and using their FASA PIN.

## **DEFERMENT OF REPAYMENT**

Deferment Request forms would need to be completed by the borrower and then certified by an authorized official before being sent to ECSI for processing. They are available through the ECSI's web site at: (<http://www.ecsi.net/bwr/forms/index.html>)

No interest accrues and no payment is due during a period of valid deferment - unless there was an amount that came due prior to the deferment period.

There is no time limit on the following deferments:

- Enrolled and attending as at least a half-time undergraduate student at an eligible institution.\*
- Enrolled and attending as a regular student in a course of study that is part of an approved graduate fellowship program.\*
- Enrolled and attending a course of study that is part of a rehabilitation training program for disabled individuals.\*
- Engaged in graduate or post-graduate approved fellowship supported study outside the United States.\*
- For any period of time while providing services as described in the Cancellation section.\*

There is a maximum of three (3) years for the following deferments:

- Military service when the borrower is on active duty during a war or other military operation, or national emergency, or performing qualifying National Guard duty.
- Seeking but unable to find full time employment\*
- To Avoid economic hardship as determined by UWRF Perkins Receivable Office.\*

**\*EXCEPTION:** A borrower is ineligible for these deferments when serving a medical internship or residency.

## **CANCELLATION BENEFITS**

Cancellation Request forms would need to be completed by the borrower and then certified by an authorized official before being sent to ECSI for processing. They are available through the ECSI's web site at: (<http://www.ecsi.net/bwr/forms/index.html>)

Cancellation benefits are available to Perkins Loan borrowers who work full-time in an eligible position for a full year (or equivalent of). Unless identified otherwise, the cancellation rates are:

- First year, 15%
- Second year, 15%
- Third year, 20%
- Fourth year, 20%
- Fifth year, 30%

### **Teacher Cancellations**

For teachers, the borrower must be full-time employed at a public or a non-profit school (or an approved program) and also able to apply at least one of the following criteria.

- Teaching in a school that is listed by Department of Education as having a high concentration of low income families;
- Teaching handicapped infants, toddlers, children, and/or youths;
- Teaching mathematics, sciences, foreign languages, bilingual education, or any other field of expertise as determined by the states' educational agencies to have a shortage of qualified teachers.
- Full-time Head Start teaching staff members are able to access a cancellation benefit of 15% per year so long as:
  - It is operated for a period of comparable to a full academic year, and
  - The salary paid is less than a comparable employee in the locality.

### **Early Intervention Services Cancellations**

For professionals from Early Intervention Services who work with preschool children.

### **Law Enforcement or Corrections Cancellation**

Cancellations for a full-time law enforcement officer - or - a full-time corrections officer for a local, State or Federal agency.

### **Health Care Service Cancellation**

Cancellations due to being a full-time nurse or medical technician providing primary health care service.

### **Service to High Risk Children/Families Cancellation**

Full-time employee of a child or family agency that is providing or supervising the provision of services to high risk children and their families from low income communities.

### **Volunteer Service Cancellation**

You are entitled to have up to 70% of the Perkins loan cancelled if you are a volunteer for either the Peace Corps or an organization created under the Domestic Volunteer Service Act of 1973. This provision uses the same cancellation rate schedule, however only for the first four years.

### **Military Cancellation**

For each year of full-time active duty in the Armed Forces of the United States serving in an area of defined hostilities (Section 310 of Title 37 of the United States Code), you may cancel up to 50% of your loan at the rate of 12.5% per year.

### **Death and Disability Cancellation**

If the borrower dies or becomes permanently and totally disabled, the entire amount of this loan plus the interest will be cancelled.