

## **Federal Perkins Loan**

**The policy contained herein is the result of the federal regulations governing the Federal Perkins Loan Program. The applicable regulations are in 34 CFR 674.9**

The Federal Perkins Loan Program provides low interest deferred payment loans to undergraduate students who demonstrate financial need. These funds assist students with educational expenses.

The Federal Perkins Loan program is federally funded for the purpose of helping financially needy students meet the cost of postsecondary education. This program is administered by Louisiana Tech University and repayment is made to Louisiana Tech University.

### Determining Eligibility

In order to determine eligibility for any federal financial aid program, students must file a Free Application for Federal Student Aid (FAFSA) and have the results sent to Louisiana Tech University. The Financial Aid Office will accept results through electronic transmission with the Central Processing System (CPS). Student eligibility is determined only through the CPS of the Department of Education using the Federal Methodology need analysis formula. The Financial Aid Office must have an official EFC (Expected Family Contribution) before eligibility for any fund may be determined. A Perkins Loan is awarded to a student if he/she has remaining financial need after the Federal Title IV funds have been awarded. Per the Federal Perkins Loan Extension Act of 2015 Remaining Perkins Loan authority DCL GEN-16-05 before awarding Perkins funds, all Direct Subsidized and Unsubsidized Loan funds for which the student is eligible must be awarded. Perkins Loan funds are awarded to students that plan to be enrolled at least half time.

Students are notified of the amount of their Perkins Loan eligibility through an award letter which depicts the amount to be disbursed at the beginning of each quarter. Perkins Loan recipients must sign a Promissory Note and complete and Perkins Loan entrance interview before funds may be disbursed to the student.

### Payment

Perkins loan funds are disbursed to the students' account once they have signed an award letter and completed their Perkins prom note as well as their entrance interview. Perkins funds are usually credited to the student's account by the day after the quarterly drop/add period ends.

In the event of an over-award, the student's account is placed on hold until such time that the overpayment is rectified.

### Student Eligibility

Students must meet general eligibility requirements for Federal Title IV funds. In addition, the student must have a 2.5 cumulative GPA or a 23 ACT Score if they do not have a

college GPA. Student must have remaining unmet financial need after all eligible financial aid has been awarded.

#### Minimum and Maximum Awards

The regulated maximum amount per year of the Perkins Loan is \$5,500 for undergraduate students or \$8,000 for graduate students. The maximum is \$27,500 for undergraduate students and \$60,000 combined graduate and undergraduate, there is no regulated minimum award. At Louisiana Tech University, the amounts are much lower to allow more students to receive Perkins. The normal award amount is \$1000 per quarter for undergraduate students.

#### Disbursement Procedures

Perkins Loan funds are disbursed to students only after an official EFC from the Department of Education has been received. Offered aid must be accepted by the student via the financial aid award letter and a Perkins Promissory Note and Perkins Entrance Counseling must be completed.

#### Pre-loan Counseling

All first-time transfer and re-entry student borrowing a federal loan after July 1, 1990 are required to complete an entrance interview. The Comptroller's Office is responsible for informing the Financial Aid Office once the entrance interview has been completed. They may be completed in person in their office or by using a link on our website. We do not disburse Perkins Loan funds unless an entrance interview has been completed.

#### Exit Loan Counseling

The Comptroller's Office is responsible for conducting exit interviews with Perkins Loan borrowers. Students who are graduating are notified of the attendance requirement for exit loan counseling. Students who terminate attendance by means other than graduation or students who indicate they cannot attend are contacted and informed of loan responsibilities.

#### Billing and Collection Procedures

After a student graduates, leaves school, or drops below half-time enrollment, they have a nine-month grace period before repayment begins. Students are notified by the Comptroller's Office regarding the date repayment begins. Billing and collection of Perkins Loans are the responsibility of the Comptroller's Office. Refer to the Comptroller's Office for additional information.