

The Federal Perkins Loan Program Update

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Topics

- Perkins Extension
- New OMB-Approved Forms
- Excess Liquid Capital
- Perkins Questions and Answers
- Important Information
- Considering Liquidation and the Process

Perkins Extension

- Perkins Loan Program Extension Act of 2015
 - Enacted on December 18, 2015
 - Extends Perkins Loan program through September 30, 2017
 - Eliminates grandfathering of students after the new expiration date
 - Prohibits any further extensions of the Perkins Loan Program under GEPA

Perkins Extension

- Undergraduate Students
 - Institutions may make Perkins Loans through September 30, 2017 to an:
 - Eligible **current** undergraduate student
 - Who **has** an outstanding balance on a Perkins Loan made by the institution
 - If the institution has awarded the student all Direct Subsidized Loan aid for which the student is eligible

Perkins Extension

- Undergraduate Students
 - Institutions may make Perkins Loans through September 30, 2017 to an:
 - Eligible **new** undergraduate student
 - Who **does not have** an outstanding balance on a Perkins Loan made by the institution
 - If the institution has awarded the student all Direct Subsidized and Unsubsidized Loan aid for which the student is eligible

Perkins Extension

- Undergraduate Students
 - An undergraduate student who consolidated his or her Perkins Loan is treated as a new undergraduate student.

Perkins Extension

- Undergraduate Students
 - If a student awarded a Direct Subsidized or Unsubsidized Loan declines one or both loans, the student's Direct Loan eligibility amounts must be included in the calculation of the undergraduate student's Perkins Loan amount.

Perkins Extension

- Undergraduate Students
 - If a student receives a disbursement of a Perkins Loan after June 30, 2017 and before October 1, 2017 for the 2017-18 award year, the student may receive any subsequent disbursements of that Perkins Loan.

Perkins Extension

- Graduate Students
 - Institutions may make Perkins Loans through September 30, 2016 to an eligible graduate student who has received a Perkins Loan before October 1, 2015.

Perkins Extension

- Graduate Students
 - The graduate student must:
 - Have received their most recent Perkins Loan from the institution for enrollment in an academic program at the institution; and
 - The new Perkins Loan must enable the graduate student to continue or complete the academic program for which the student received the most recent Perkins Loan

Perkins Extension

- Graduate Students
 - If an eligible graduate student receives a disbursement of a Perkins Loan after June 30, 2016 and before October 1, 2016 for the 2016-17 award year, the student may receive any subsequent disbursements of that Perkins Loan through June 30, 2017.

Perkins Extension

- Graduate Students
 - A graduate student is considered to be continuing or completing the academic program for which the student received his or her most recent Perkins Loan only if the first 4 digits of the CIP code are identical to the first 4 digits of the academic program for which the borrower received the most recent Perkins Loan.

Perkins Extension

- Graduate Students
 - In the case of graduate programs with different degree objectives, a graduate student meets the eligibility criteria if the graduate student received his or her most recent Perkins Loan for enrollment in a program with one degree objective, and then enrolled in a program with the same CIP code but a different degree objective.

Perkins Extension

- Disclosures
 - Institutions must provide additional disclosures:
 - Regarding the end of future availability of Perkins Loans
 - Regarding Direct Loan repayment and forgiveness benefits not available to Perkins Loans
 - Regarding the borrower's option to consolidate a Perkins Loan, and benefits of consolidation

Perkins Extension

- Disclosures (continued)
 - Providing a comparison of Perkins Loan and Direct Loan interest rates
 - Informing the borrower that the borrower has reached the maximum annual Direct Subsidized borrowing limit or Direct Subsidized and Unsubsidized borrowing limit

New OMB-Approved Forms

- Deferment Forms
 - OMB recently approved DL/FFEL/Perkins deferment forms for:
 - In-school
 - Graduate fellowship
 - Rehabilitation training program
 - Economic hardship
 - Unemployment

New OMB-Approved Forms

- Deferment Forms
 - Revised Military Service Deferment form is currently in the OMB-forms clearance process

New OMB-Approved Forms

- Forbearance Forms
 - Combined DL/FFEL/Perkins forms for:
 - Mandatory Forbearance Request (student loan debt burden)
 - General Forbearance Request (other acceptable reasons)

Excess Liquid Capital

- Current Excess Liquid Capital Process
 - Is a statutory requirement
 - Is calculated using institution's FISAP data
 - Requires the Federal share to be returned to ED
 - Requires the Institutional share to be removed from Fund
 - Requires reporting on the next FISAP due September 30, 2016

Excess Liquid Capital

- Future Excess Liquid Capital Process
 - Regulatory and Statutory Requirement
 - Communicating new process in fall
 - Updating the formula
 - Streamlining efforts
 - Providing completed worksheet to institutions
 - Eliminating common errors completing worksheet

Perkins Loan Questions & Answers

Scenario: Student received first Perkins Loan as a new borrower. Student then receives another Perkins Loan in either a subsequent year or when the institution awards a new Perkins Loan.

Question: Is the student now considered a current borrower?

Perkins Loan Questions & Answers

Answer: Yes. Once the undergraduate borrower has received his first Perkins Loan at an institution and continues to have a balance on his Perkins Loan, he would be considered a current student for the purposes of awarding additional Perkins Loans.

Perkins Loan Questions & Answers

Scenario: An institution is considering awarding the student a Perkins Loan and the parents have been denied a PLUS Loan.

Question: For a new Perkins Loan borrower, should the additional Direct Unsubsidized Loan funds resulting from the denial of a PLUS Loan be included when determining the student's eligibility for the Perkins Loan?

Perkins Loan Questions & Answers

Answer: Yes. This student's eligibility would include the additional Direct Unsubsidized funds that are received as a result of a parent's denial of a PLUS Loan.

Perkins Loan Questions & Answers

Scenario: Student advances a grade level after Perkins Loan was awarded.

Question: Must the institution use the increased amount of eligibility for Direct Subsidized and Direct Unsubsidized Loans when determining the amount of Perkins Loan the borrower is eligible to receive?

Perkins Loan Questions & Answers

Answer: Yes. The annual maximum Direct Subsidized and Direct Unsubsidized Loan eligibility for which the student is eligible must be considered in determining the student's eligibility for a Perkins Loan.

An institution may be required to reduce a Perkins Loan that has already been disbursed because the student's Direct Loan (subsidized and/or unsubsidized) eligibility increased.

Perkins Loan Questions & Answers

Scenario: A student's Perkins Loan has fully disbursed. The institution then receives a denial of the PLUS loan.

Question: Is the institution required to re-evaluate the student's eligibility for the Perkins Loan because of the additional Unsubsidized Loan funds for which the student may be eligible?

Perkins Loan Questions & Answers

Answer: Yes. The institution must re-evaluate the student's eligibility for the Perkins Loan even if all or part of the loan had been disbursed.

The institution may need to reduce or cancel the Perkins Loan, including any amounts that had already been disbursed because the student's Direct Loan eligibility has increased.

Perkins Loan Questions & Answers

Scenario: A student who has received Perkins Loans as an undergraduate student at the institution. The student then enrolls in a graduate program at the same institution and in the same major.

Question: Is the student eligible to receive a new Perkins Loan as a graduate student?

Perkins Loan Questions & Answers

Answer: No. A graduate student can receive a new Perkins loan only if the student:

- Received a Perkins Loan from the institution as a graduate student
- Received that Perkins Loan before October 1, 2015
- Continued or completion of the same academic program for which the most recent Perkins Loan was received

Important Reminders

- Redesigned Campus-Based processing page on IFAP <http://www.ifap.ed.gov/ifap/cbp.jsp>
- Perkins Questions and Answers posted to IFAP
<http://www.ifap.ed.gov/cbp/PerkinsFAQ.html>

Important Reminders

- **Third-Party Servicers**
 - Ultimately institution's responsibility
 - Double-check for accuracy and compliance
- **-NEW -**
- **NSLDS Perkins Spreadsheet submittal new functionality on NSLDS**
 - Tools and explanation for spreadsheet coming soon
 - Review and reconcile reports regularly



- Menu
- Aid
- Enroll
- Org
- Report
- Tran



[Loan History](#) | [Overpayment List](#) | [Grants](#) | [Delinquent Borrowers](#) | [Exit Counseling History](#) | [Student Contact Info](#) | [Student Access Interface](#) | [Reaffirmation History](#) | **Perkins Submittal** | [SSN Conflict](#)

FSA ID: NSL.SCTST2.FSA logged on as: TEST USER from [NORTH SOUTH UNIVERSITY](#) / TG54560 / SCTST2

Name: NORTH SOUTH UNIVERSITY
Code: 06789900 **Type:** School
Status: OPEN
Address: 2300 MARYLAND AVE.
 WASHINGTON, DC 20001

Enter the location and file name and submit for processing.

Perkins Spreadsheet Submittal

I am running on Windows.

File Name:

Rows in Result File

- Result File contains all rows submitted
- Result File contains only input rows with errors

Background color for cells with error in Result File

- Yellow background for errors
- Grey background for errors
- White background for errors

Mouseover comment for cells with error in Result File

- Add comment to error cell
- Do not add comment to error cell



Considering Liquidation?

What is Perkins Liquidation?

- Perkins Liquidation is—
 - Accounting for all the loans that remain in the portfolio, and
 - Accounting for the remaining Perkins Revolving Fund

What does Liquidation Involve?

- Turn over loans to the Department – Assignment
- Account for all loans/Update NSLDS accordingly
- Ascertain any liabilities as a result, *e.g., purchased loans*
- Split the remaining fund – distributional shares of remaining cash asset

Official System of Records

- The eCampus-Based (eCB) system is the system of record for all institutions' collective Perkins portfolio.
- NSLDS the system of record for loan detail.

How to Prepare

- Assess your portfolio
 - How many loans remain open?
 - Are loans accurately being reported on FISAP?
 - Are loans accurately being reported/updated to NSLDS?

How to Prepare

- Sign up for Perkins Loan Assignment System (PLAS)
- Begin assigning older, defaulted loans now
- Ensure NSLDS accurately reflects your institution's portfolio!

How to Begin

You will start with eCB and finish with eCB.

How to Begin

Institution's access the eCB system at <https://cbfisap.ed.gov>

The screenshot shows the 'Campus-Based Program Funding - FISAP' application interface. The top navigation bar includes links for eSignature, Help, Glossary, Self-Service, DRAP, Setup, FISAP, and Home. The main header features the 'START HERE GO FURTHER FEDERAL STUDENT AID' logo and the title 'Campus-Based Program Funding - FISAP Application for 2016-2017 and Report for 2014-2015'. A left sidebar contains a menu with items: Identification, Application, Perkins Program, FSEOG Program, FWS Program, Program Summary, Additional Info, Validation, Submit, and Perkins Liquidation (which is circled in green). The main content area is titled 'Setup - Change Years/Schools' and includes a 'Setup' button. It contains instructions for changing award years and schools, along with a 'DPEID Number: 00000000'. Below the instructions are input fields for 'Change Years' (set to 2016-2017) and 'Change Schools', each with a corresponding 'Change' button. A 'Help' button is located at the bottom of the main content area.

Note: Only institutions participating in the Federal Perkins Loan Program have access to the Perkins Liquidation module.

▶ Process Indicators ✓



eSignature Help Glossary Self-Service DRAP Setup FISAP Home

Campus-Based Program Funding - FISAP

Application for 2016-2017 and Report for 2014-2015

- I Identification
- II Application
- III Perkins Program
- IV FSEOG Program
- V FWS Program
- VI Program Summary
- Additional Info
- Validation
- Submit
- Return to Admin
- Perkins Liquidation
Intent and Close-Out Form

Support

Federal Perkins Loan Program Liquidation

School: OPEID Number:

Your school has decided to liquidate its **Federal Perkins Loan Program**. There are several steps involved in the process:

- ✓ First, submit the school's intent to liquidate using the electronic [Intent and Closeout Form](#)
- ✓ Next, notify Perkins borrowers (See the [Perkins Liquidation Procedures](#))
- ✓ Assign Perkins loans to the Department (See the [Perkins Liquidation Procedures](#) and the [Perkins Assignment Procedures](#))
- ✓ Once all loans are assigned, complete Phase 3 of the [Intent and Closeout Form](#) by entering the school's current cash on hand balance. The Federal distributional portion of the school's remaining assets is calculated in Phase 3.
- ▶ Once you have remitted the Federal distributional share (See the [Instructions for Returning Federal Perkins Loan Program Funds to the Department](#)), complete Phase 4 of the [Intent and Closeout Form](#) by entering FISAP data that reflects the final close-out activities. This includes the repayment of fund capital to the Federal government, the repayment of fund capital to the school, the final cash on hand balance (which should be zero after the Federal/institutional split of the fund), and the final loan totals as indicated on the form.
- ▶ A Perkins close-out audit is also required. Please see the [Perkins Liquidation Procedures](#) for specific instructions regarding the close-out audit.

When liquidation is complete, your school will receive an official Perkins Liquidation Completion Letter from the Department.

Confirmation and Next Steps

A confirmation e-mail is sent to the FAA which also gives further information on next steps.



eCampus-Based Communications E-mail Notifications

[MM/DD/YYYY]

Dear [FAA]:

We hereby acknowledge receipt of your school's request to liquidate its Federal Perkins Loan (Perkins Loan) Program portfolio and fund and discontinue its participation in the program.

Your school has taken the first step by notifying the Department of Education (the Department) of its intent to liquidate. There are several additional steps to ensure completion of the Perkins liquidation process:

- Assign all outstanding loans to the Department and reconcile Perkins portfolio with NSLDS
- Update NSLDS and ensure all loan records are properly reported to the Department
- Initiate and finalize a Closeout Audit Report
- Return the Federal share of the remaining funds
- Submit a final closeout form

Your school can begin to liquidate its Perkins Loan portfolio by first assigning the remaining loans with outstanding balances to the Department for collection and/or purchasing any loans that cannot be assigned.

Once all liquidation requirements have been satisfied, an official letter of completion will be sent from the Department.

Information detailing the most current Federal Perkins Loan Liquidation and Closeout Procedures (<http://ifap.ed.gov/cbpmaterials/attachments/FederalPerkinsLoanLiquidationProcedures.pdf>) can be found on the Information for Financial Aid Professionals (IFAP) Web site on the Campus-Based Processing Information page (<http://ifap.ed.gov/ifap/cbp.jsp>). It is important that you read and follow these procedures carefully.

For questions concerning Perkins Loan liquidation, please contact the Perkins Liquidation Team via email at Perkinsliquid@ed.gov.

For questions concerning FISAP processing, please contact the Campus-Based Call Center at 877/801-7168. Customer Service representatives are available Monday through Friday from 8:00 A.M. until 8:00 P.M. (ET).

Sincerely,

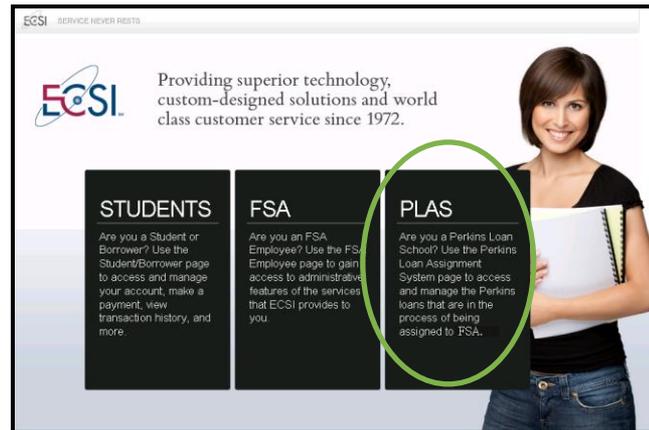
Pat Stephenson
Manager, Campus-Based Programs
Federal Student Aid
U.S. Department of Education

Notify Borrowers

- Borrowers should be given at least 30-day notice
- Loans should be submitted to the Department not later than 45 days from the date the institution submitted their intent to liquidate to the Department

PLAS

www.efpls.com



-NEW-

- Outreach to Schools to provide training on Assignment Process using PLAS

Assignment and NSLDS Updates

- Most time-consuming step
 - Notify, Gather, Assign, and Update
- The most reconciliation you can do ahead of assignment, the better chances the process will go smoothly
 - Institution records match FISAP and NSLDS

Complete NSLDS Updates

Institutions must ensure that its loans are properly accounted for and updated in NSLDS.

Ultimately, FSA will need to verify that all loans have been updated and none remain open with the institution.

Institutions should communicate with Campus-Based point-of-contact staff the need to purchase any un-assignable loans up front or during the assignment process.

Once Verified

Phase 3 of the closeout form within eCB opens to the institution and it is at this point that the institution is required to enter the **current Cash on Hand balance** from their institution's Perkins Fund.

FSA →

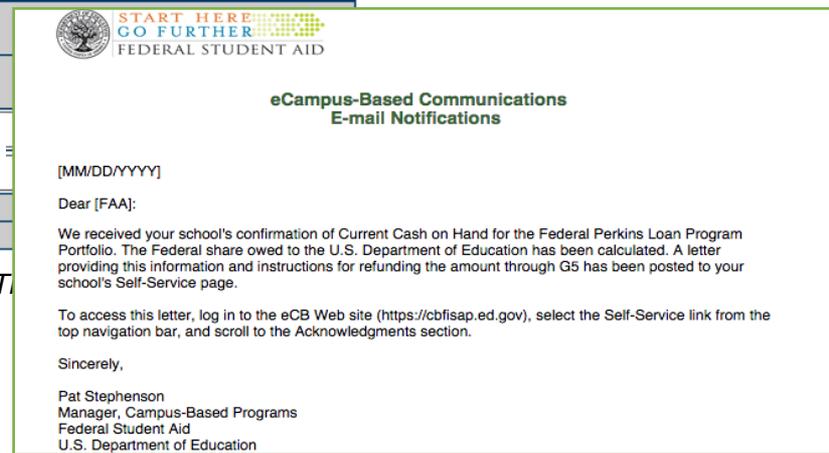
PHASE 3. AUTOMATED FEDERAL - INSTITUTIONAL DISTRIBUTIONAL SHARE CALCULATION		
Calculated Net FCC (FCC minus repayment of fund capital to federal government)		1
Calculated Net ICC (ICC minus repayment of fund capital to school)		1
Current Cash on Hand balance	\$	
Total OPB + interest required to purchase remaining loans	\$20000	
Total Cash on Hand Asset		\$0
Federal Share Owed the US Department of Education		\$0

← **Institution**

Federal Share Owed

If there is a Federal share owed, an automated e-mail is sent from the eCB system (CBFOB@ed.gov) to the institution and the Department of Education's official letter indicating that the Federal share owed is posted to the institution's eCB Self-Service page under Acknowledgements.

PHASE 3. AUTOMATED FEDERAL – INSTITUTIONAL DISTRIBUTIONAL SHARE CALCULATION	
Calculated Net FCC (FCC minus repayment of fund capital to federal government)	
Calculated Net ICC (ICC minus repayment of fund capital to school)	
Current Cash on Hand balance	
Total OPB + interest required to purchase remaining loans	\$\$
Total Cash on Hand Asset	
Federal Share Owed the US Department of Education	
<i>Current Cash on Hand submitted by SCHOOLID on Date and Time</i>	



Payment G5

- NEW -

www.g5.gov

1. Click on Payments
2. Click on Create Refunds
3. Under Refunds Creation, click on the Miscellaneous Refunds tab and select Continue

Payment G5 (continued)

4. On the Create Miscellaneous Refunds tab, enter the required details below and continue to submit

- Refund Amount
- Bank Account Information to be debited
- Select Appropriate Refund Type:

Perkins Excess Cash – Use this type when returning the Federal Share of the Excess Liquid Capital

Perkins Liquidation - Use this type when closing out your Perkins Loan Fund and returning the Federal share at the end of the institution's liquidation process

Final FISAP Data

Upon entering the data and clicking the Submit button, a confirmation box is displayed. The institution confirms the data entry and proceeds by clicking Yes.

PHASE 4. FINAL CLOSEOUT		
<i>Once Verification and Receipt of Cash on Hand is Processed Schools Can Submit Final FISAP Closeout On-line at any time if final activity has yet to be reported – the following will open up to schools.</i>		
	Number of Borrowers	Amount
2. Latest Cash on hand in depository		\$0
28. Repayments of fund capital to federal government		\$200000
30.3 Repayments of fund capital to school		100000
1. Borrowers whose loans are fully retired (including those purchased by school)	350	450000
1.2 Amount of loans that have been purchased		7
2. Borrowers whose loans were assigned and officially accepted by US Department of Education	1024	15000000

You have selected to submit your school's Final Closeout report to the US Department of Education detailing the final Perkins activity. Do you wish to proceed?

Final FISAP Data (Continued)

Once confirmed, a timestamp is displayed at the bottom of the Phase 4 that indicates that the Final Closeout Report was submitted, the user ID, and the date and time.

1.2 Amount of loans that have been purchased		\$/
2. Borrowers whose loans were assigned and officially accepted by US Department of Education	1024	\$15000000
<i>Final Closeout Report submitted by user1.fsaecb on 09/25/2015 15:45 PM EDT</i>		

Audit

34 CFR 668.26 requires an institution to submit a letter of engagement for an independent audit of all funds that the institution received under the program to the Secretary within 45 days after the institution's participation ends.

Close Out Letter

- FSA validates that the Perkins Liquidation is complete and updates it in the eCB system
- An official Perkins Liquidation Letter of Completion is posted to the institution's eCB Self-Service page under Acknowledgements

Close Out Letter (continued)

School: **ABC UNIVERSITY**

 Links that are followed by a PDF icon require Acrobat Reader to view. Click the icon to download a free copy. Having a problem printing a PDF file? Please read the [PDF Printing Solution](#) page.

Forms and Reports

- 2016-2017 FISAP
 - FISAP HTML Submitted Version - [All Parts](#)
 - Submitted Version - [All Parts](#)  | [Part I](#)  | [Part II](#)  | [Part III](#)  | [Part IV](#)  | [Part V](#)  | [Part VI](#) 
 - Submitted Version - [Additional Institutions](#) | [Additional Information](#) | [Validation Errors](#)
 - Admin User's Working Version - [All Parts](#)  | [Part I](#)  | [Part II](#)  | [Part III](#)  | [Part IV](#)  | [Part V](#)  | [Part VI](#) 
 - Admin User's Working Version - [Additional Institutions](#) | [Additional Information](#) | [Validation Errors](#)
 - Working Version - [All Parts](#)  | [Part I](#)  | [Part II](#)  | [Part III](#)  | [Part IV](#)  | [Part V](#)  | [Part VI](#) 
 - Working Version - [Additional Institutions](#) | [Additional Information](#) | [Validation Errors](#)
 - [Signature Pages](#) 
- FISAPs - [2016-2017](#)  | [2015-2016](#)  | [2014-2015](#)  | [2013-2014](#)  | [2012-2013](#)  | [2011-2012](#)  | [2010-2011](#) 
- Reallocation Form

Acknowledgments

- [Submission Log](#)
- [Federal Share of Liquid Capital Owed Letter](#)
- [Perkins Liquidation Letter of Completion](#)

Campus-Based Notifications for All Available Award Years

- Statements of Accounts - [2016-2017](#) | [2015-2016](#) | [2014-2015](#) | [2013-2014](#) | [2012-2013](#) | [2011-2012](#) | [2010-2011](#)

Perkins Letters



Questions



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