Federal Perkins Loan Information

What is a Federal Perkins Loan?
A Federal Perkins Loan is a low-interest loan for undergraduate and graduate students with exceptional financial need. **OSU receives a limited amount of Perkins Loan funds for the year.** Priority for these limited funds is given to students who file the Free Application for Federal Student Aid (FAFSA) and complete the application process, including providing requested documentation, earliest and who demonstrate exceptional financial need.

Oklahoma State University acts as the lender on this loan, which is made with government funds. Repayment of a Perkins Loan is made to OSU. If you decline this offer, the funds will not be available to you at a later date. The Perkins Loan Program will end September 30, 2016 for graduate students and September 30, 2017 for undergraduates. No new loan awards will be available under the Federal Perkins Loan Program after these dates.


Federal Perkins Loans may be consolidated with Federal Direct Loans. The benefits of consolidating your Federal Perkins loans with your Federal Direct loans are:

- **One monthly payment:**
  - A consolidation loan combines the borrower’s eligible loans into a single loan. To learn how interest rates are calculated on Direct Consolidation Loans, visit [studentaid.gov/consolidation](http://studentaid.gov/consolidation).

- **More repayment options:**
  - Students having difficulty keeping up with student loan payments may choose a different repayment plan.
  - By extending the term of student loan repayment, or selecting an individual plan that matches income levels and ability to pay, borrowers who participate in the Consolidation Program sometimes have lower monthly payments on the new loans.
  - **Note:** extending repayment terms also adds more total interest over the lifetime of the loan.

- **Drawbacks of consolidating Federal Perkins and Federal Direct loans:**
  - Loss of Perkins Loan cancellation benefits.
  - If you are, are will be, a public school teacher, or if you teach math, science or special education subjects, you may qualify for Perkins Loan cancellation.
  - When Perkins loans are consolidated alongside other outstanding federal loans, the cancellation benefit is eliminated.

**The Federal Perkins Loan interest rate is fixed at 5%.** The interest rate for a Direct Loan is determined by Congress annually for new loans that are made between July 1 of one year and June 30 of the following year. Each loan will have a fixed interest rate for the life of the loan. You can view the latest interest rate information for Federal Direct Loans at [studentaid.gov/interest](http://studentaid.gov/interest).

<table>
<thead>
<tr>
<th>Loan Program</th>
<th>Current Interest Rate by Program Type*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perkins (for students)</td>
<td>5.00% fixed</td>
</tr>
<tr>
<td>Direct Subsidized/Unsubsidized (for students)</td>
<td>4.29% fixed Undergraduate 5.84% fixed Graduate</td>
</tr>
<tr>
<td>Direct PLUS (for parents and graduate/professional students)</td>
<td>6.84% fixed</td>
</tr>
</tbody>
</table>

*Rates for Direct Subsidized/Unsubsidized and PLUS Loans are current rates for loans disbursed between July 1, 2015 and June 30, 2016. Rates for loans disbursed between July 1, 2016 and June 30, 2017 will be determined by Congress after June 1, 2016 and will be available at [student.gov/interest](http://student.gov/interest).
The Perkins aggregate limit for undergraduates who have not completed 2 years of college is $11,000. The limit for all other undergraduate (including amounts borrowed in first two years) is $27,500. The Perkins aggregate limit for graduate students (includes loans borrowed at the undergraduate level) is $60,000.

If you are attending school at least half-time, you have a grace period of nine months after you graduate, leave school, or drop below half-time before you begin repaying this loan. No interest is accruing on your loan during this time. The amount of your monthly payment will depend on the amount of your debt and the length of your repayment period. You may be allowed up to 10 years to repay your loan. Questions regarding deferment and repayment procedures should be address to the OSU Bursar’s Office at 405-744-8435.

### Examples of Typical Payments for Perkins Loan Repayment

<table>
<thead>
<tr>
<th>Total Loan Amount</th>
<th>Number of Payments</th>
<th>Approximate Monthly Payment</th>
<th>Total Interest Charges</th>
<th>Total Repaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,000</td>
<td>120</td>
<td>$42.43</td>
<td>$1,091.01</td>
<td>$5,091.01</td>
</tr>
<tr>
<td>$5,000</td>
<td>120</td>
<td>$53.03</td>
<td>$1,364.03</td>
<td>$6,364.03</td>
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<tr>
<td>$15,000</td>
<td>120</td>
<td>$159.10</td>
<td>$4,091.73</td>
<td>$19,091.73</td>
</tr>
</tbody>
</table>

How do I accept and receive the Federal Perkins Loan?

- Accept all or part of the Perkins Loan by logging onto the OSU Self Service system at [my.okstate.edu](http://my.okstate.edu).
- Prior to the beginning of classes, you may need to sign an online promissory note with ESCI (the company the OSU Bursar’s Office uses) at [https://www.ecsi.net/prom8r/](https://www.ecsi.net/prom8r/) before your loan can be disbursed to your account. You will be e-mailed with information to complete the promissory note.

OSU Office of Scholarships and Financial Aid

119 Student Union
Stillwater, OK 74078-5061
Email: finaid@okstate.edu
FAX: (405) 744-6438
Phone: (405) 744-6604
Web: financialaid.okstate.edu