1. PERKINS LOAN PROGRAM
This program previously called the National Defense/Direct Student Loan Program was developed by the U.S. Congress in 1958 as a revolving fund for students in need of financial aid. The money that you repay will be directly circulated back into future loans. The approval of this loan is an expression of confidence in the potential of a student. It is assumed that the borrower fully understands this responsibility and when payments are due on the loan, will promptly respond. The continuation and success of this loan program is dependent upon payment of outstanding loans.

2. REPAYMENT
Regular monthly payments are at the rate of $40.00. Since the maximum time allowed to repay the loan is 10 years, loans over $3776.00 will require monthly payments in excess of $40.00. Since the minimum monthly payment is $40.00, smaller loans will be repaid in less than 10 years. All payments are applied first to collection costs, then to late charges, accrued interest and any remaining amount to the loan principal. The borrower may, without penalty, prepay all or any part of the loan principal and accrued interest at any time. The status of your loans will be reported to Trans Union and Equifax Credit Bureaus monthly from the date of disbursement.

3. INTEREST
Simple interest at the rate stated on your Promissory Note and Repayment Schedule is charged on the unpaid balance of the loan beginning at the expiration of the grace period. (Please refer to your Promissory Note and your Repayment Schedule for specific dates.) Interest charges may be canceled or waived ONLY under certain circumstances as explained in items 4 and 5.

4. CANCELLATIONS
A percentage of the loan may be canceled if the borrower meets the eligibility requirements. Properly executed and certified forms MUST be submitted at least once each year to the Service Center in order to obtain cancellation. Please contact the MnSCU Student Loan Service Center if you have questions.

A. Member of the armed forces who served in an area of hostility, at the rate of 15% for the 1st and 2nd years of service; 20% for the 3rd and 4th years of service; and 30% for the 5th year of service.
B. Total and permanent disability or death of the borrower.
C. Full-time employment in Head Start Program.
D. Full-time special education teacher, including teacher of infants, toddlers, children or youth with disabilities
E. Full-time teacher of math, science, foreign languages, bilingual education, or any field of expertise determined by the state education agency to have a shortage of qualified teachers.
F. Full-time law enforcement or correction officer.
G. Provider of early intervention services in a public or nonprofit program under public supervision.
H. Full-time Nurse or Medical Technician providing health care services.
I. Peace Corps or ACTION programs volunteer.
J. Full-time staff members in a prekindergarten or child care program that is licensed or regulated by the state.
K. Full-time public defenders.
L. Full-time faculty members at a tribally controlled university.
M. Librarians with a master’s degree in library science who are employed in a school served under Title I of the ESEA, or a public library serving a Title I school.
N. Full-time speech language pathologists with a master’s degree working exclusively in Title I schools.
O. Full-time firefighters

5. DEFERMENT PRIVILEGES
(Please refer to your promissory note to see if you are eligible)
Interest will not accrue and loan payments need not be made during any period of eligible deferment as listed below. It is the borrower’s responsibility to notify the MnSCU Student Loan Service Center. Deferments are not granted in advance. Deferment is granted at the end of an eligible period of deferment, filed annually, upon receipt of a properly completed and certified deferment form. Deferment provisions that apply to loans obtained after 7-1-87 and prior to 7-1-93 are:

A. For a maximum period of 36 months when the borrower:
   1. Is serving on a full time active duty in the Armed Forces of the United States.
   2. Is a full-time volunteer in the Peace Corps or Vista.
   3. Is a full-time volunteer in a tax-exempt organization performing service comparable to that performed by the Peace Corps or ACTION agency volunteers.
   4. Is temporarily totally disabled or caring for a temporarily totally disabled spouse or dependent.
   5. Is an officer of the Commissioned Corps of the United States Public Health Service.
   6. Is an active duty member of the National Oceanic and Atmospheric Administration Corps.
B. For a maximum of 24 months when the borrower is serving in an internship which is required in order to receive professional recognition to begin any professional practice or service.
C. For a maximum of 24 months when the borrower, as a mother of preschool children, enters or re-enters the work force at a pay rate which does not exceed $1.00 above the minimum wage.
D. For a maximum of 6 months when the borrower is pregnant, caring for a newborn baby, or is caring for an adopted child immediately after placement and is not attending school nor gainfully employed during the deferment period and was enrolled as at least a half-time student within 6 months of the first day of that period.

6. DEFAULT
Your loan will be in default if you miss a payment or fail to file an appropriate deferment or cancellation form. A default will prevent you from obtaining additional student financial aid authorized under Title IV of the Higher Education Act of 1965, as amended, until you have cleared up the default. If your loan is in default you will also be responsible for paying all late charges, collection costs, including attorney fees and other charges necessary for the collection of the loan.