



A Modernized and Expanded Perkins Loan Program

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Emergency Preparation

- Federal Student Aid is committed to helping FAAs and schools impacted by a disaster.
- Preparation is the Key!
- Update your existing officials in Section A of the E-App and provide ALTERNATE contact information in Section K, Question 69.
- Staff are in the Resource Room (007AB) to assist you with updating your contact information. Please come see us!



Topics

- Administration Goals and FY 2010 Budget Proposal
- Modernized Perkins: Impact for Schools and Students
- Perkins Loans and the Common Origination and Disbursement (COD) System
- Q & A



Administration's Goals

- FY 2010 Budget Proposal
 - Pell Grants
 - Single Source of Loans – Direct Loans
 - College Access and Completion Fund
 - Tax Credits
 - “New” Perkins
 - Policy Rationale
 - Program Objectives



Allocation Formula

- Increased Perkins Loan Volume (\$6 Billion)
- Broad Availability to More Schools
- School-level “Loan Authority” vs. Allocation of Funds
- Incentive-based Distribution Among Schools
- Hold Harmless for Current Participating Schools



Allocation Formula - Incentives

- Success in Graduating Low-Income Students
- Affordable Tuition Charges
- Credit for Non-Federal Need Based Grants Awarded/Received



School Impacts

- Allocation Transparency—Schools Will Know Funding Criteria and Parameters
- Packaging Requirement:
 - In sequence of federal loan programs, Perkins packaged after Stafford (both subsidized and unsubsidized)



Student Impacts

- Maintain 5% Interest Rate
- Direct Loan – Unsubsidized
- Stafford Loan Cancellations
- Packaged with Other Financial Aid
- Undergraduates and Graduate Students
- Current Annual/Lifetime Loan Limits



Existing Perkins Portfolios

- Continue Existing Servicing
 - School Submits Quarterly Payments to ED (minus ICC)
- Transfer Entire Portfolio to ED
 - ED Remits ICC



Processing Perkins In the Common Origination and Disbursement (COD) System



School Eligibility

- All Perkins-eligible schools must have Direct Loan eligibility
- School must have current IDs on file to be eligible for participation:
 - OPE ID
 - DUNS Number
 - Direct Loan ID
- The COD System will use existing Direct Loan TG Mailboxes for Perkins Loans



Awarding and Disbursing

- Perkins Loan Program will be included in XML Schema 3.x
- COD will return responses for Perkins Loan awards and disbursements submitted via the web and common record



Awarding and Disbursing

- New Perkins-specific message classes are being developed
- COD will require the following person-level fields for new awards:
 - Student SSN
 - Student DOB
 - Student Last Name



Awarding and Disbursing

- A CPS match will be performed on these identifiers when awards are submitted and updated
- COD will require a complete address for new Perkins awards



Awarding and Disbursing

- COD will accept changes to awards and disbursements on the same change record
- COD will edit on Loan Limits



Awarding and Disbursement:

- Similar Disbursement rejects:
 - accepted disbursements don't equal the award
 - records with awards not linked to an MPN
 - records with blank disbursement dates
 - negative disbursement amounts
 - disbursements that cause the total disbursement amount to exceed the award amount



Awarding and Disbursing

- COD will allow a student to receive more than one Perkins Loan at a single school within an award year
- COD will allow a student to receive more than one Perkins Loan at more than one school in a single award year



Booked Awards

- A Booked Perkins award will consist of:
 - An accepted origination award where the award amount is greater than \$0 and
 - An accepted first disbursement amount where the disbursement is greater than \$0 and
 - An accepted MPN is on file at COD and linked to an accepted award



Promissory Notes

- COD will link Perkins awards and MPNs across schools and across award years
- If multiple MPNs exist for a particular award year, COD will link to the MPN with the most recent expiration date



Promissory Notes

- MPNs will expire after 1 year if they are unlinked to an award or linked to an award with anticipated disbursements
- MPNs will expire after 10 years if they are linked to an award with actual disbursements



Disclosure Statements

- COD will generate disclosure statements for Perkins loans with a disbursement date (anticipated or actual) less than or equal to 30 calendar days from the current processing date
- Disclosure statements will be generated electronically or on paper, depending on student MPN choice



Disclosure Statements

- COD will regenerate disclosure statements when the common record tag is set to “reprint”
- COD will generate a disclosure statement for an award only once
 - Not for updated award, disbursement or student information
 - Only explicit reprint requests will trigger a reprint



Funding

- All institutions will be assigned a funding method of “Advanced Funding”
- Number of future days to accept actual disbursements will be 7 days for:
 - Schools without a stop pay
 - Schools with a stop pay monitoring status of HCM1



Funding

- Number of future days to accept actual disbursements will be 0 days for:
 - Schools with a stop pay monitoring status of HCM2
 - Schools with a stop pay monitoring status of Reimbursement



Funding

- COD will maintain a separate Current Funding Level (CFL) for the Perkins program
- CFL will never change based on disbursement activity
- COD will use Perkins net accepted and posted disbursements to post against the school funding level



Closeout

- Award year will be considered closed when the CPD is greater than the Last Date to Accept Common Record (LDACR) (what is CPD?)
- When an award year is closed the school CFL will be reduced to Net Draws



Closeout

- A “Balance Information Letter” will be created for the closeout process
 - Sent to schools once the Perkins Closeout Start date is equal to the current processing date
 - Sent to schools with cash activity or Net Accepted Posted Disbursement (NAPD) Activity during the award year that is being closed



Perkins On The Web

- A Perkins Loan Web site will be created to allow borrowers to complete and submit a Perkins Note electronically
- The Perkins Loan Web site will allow borrowers to complete and submit Perkins Entrance and Exit Counseling



Questions?

