FEDERAL PERKINS LOAN RIGHTS AND RESPONSIBILITIES

You are receiving as part of your financial aid award a Federal Perkins Loan. This is a loan that must be repaid. The maximum annual loan limit for Perkins is $5,500 for undergraduates and $8,500 for graduate students. Due to limited funds, LaGrange College maximum annual award is $4,000 for undergraduates and $5,000 for graduate students. The maximum lifetime Perkins Loan limit is $27,500 for undergraduates and $60,000 for graduate students.

This document outlines your rights and responsibilities as a Perkins Loan borrower. Your signature will indicate your understanding of the terms and conditions of this loan.

I understand that I must, without exception, notify in writing LaGrange College:

- If I plan to withdraw from school
- If I transfer to another school
- If I drop below half-time enrollment
- If my name, address, or telephone number changes

I understand that I must complete an exit interview with the Financial Aid Office prior to withdrawal or graduation.

I understand that LaGrange College is the lender and holder of my Perkins promissory note and that LaGrange College’s Federal Perkins Loans are serviced by Campus Partners.

I understand that all payments, deferments, cancellation requests and other correspondences should be mailed to Campus Partners, P.O. Box 2902, Winston-Salem, NC 27102.

TERMS AND CONDITIONS

- I understand that the **ANNUAL PERCENTAGE RATE** of 5% will be the finance charge based on the unpaid balance.
- I understand that my first payment will be due nine months after the date I cease to be enrolled as at least a half-time student at an institution of higher education and interest on my outstanding Perkins loan will begin to accrue.
- I understand that the minimum monthly payment on a Federal Perkins Loan is $40.00 per month. It may be more if the amount borrowed is sufficient to require larger payments.
- I understand that I have up to 10 years to repay my Federal Perkins Loan.
- I understand that I may repay my Perkins Loan in full at any time without penalty.
- I understand that I may consolidate my Perkins Loan with other Federal Student Loans. This may decrease overall monthly payments and the annual percentage rate will be based on a weighted average of my outstanding loans.
- I understand that LaGrange College or Campus Partners will report the amounts of my disbursements and payments along with the amount of this loan to a national credit bureau organization.
- I understand that Campus Partners will impose late charges if I do not make a scheduled payment when due or if I fail to submit on or before the due date of the payment, a properly documented written request that I qualify for any of the forbearance, deferment, or cancellation benefits described in this document. No late charge will exceed 20% of my payment.

DEFAULT

I understand that if I fail to make a scheduled payment when due; if I fail to submit to Campus Partners, on or before the due date of a scheduled payment, documentation that I qualify for a deferment, cancellation, or forbearance; or if I fail to comply with the terms and conditions of my Perkins Loan promissory note or written repayment agreement, LaGrange College may, at its option, declare my loan in default and may accelerate my loan (demand immediate payment of the entire unpaid balance of the loan, including principle, interest, late charges, and collection costs).

- I understand that if I default on my Perkins Loan this information will be disclosed to national credit bureau organizations.
- I understand that if I default on my Perkins Loan I will lose my right to defer payments and my right to forbearance.
- I understand that if I default on my Perkins Loan I will lose my right to receive cancellation benefits for service that is performed after the date LaGrange College accelerated the loan.
- I understand that if I default on my Perkins Loan I will be ineligible for any further federal student financial assistance at any institution.
DEFERMENTS

I understand that I may defer the repayment of my loan if I qualify for one of the deferments outlined below and submit a properly completed deferment form to LaGrange College or Campus Partners. I may defer my payment if I am:

- Enrolled and in attendance as a regular student in at least a half-time course of study in an institution of higher education.
- Enrolled and in attendance as a regular student in an approved fellowship program or approved rehabilitation training program for disabled individuals (does not include a medical internship or residency program, except a residency in dentistry);
- Unemployed and unable to find full-time employment (3-year limit);
- Experiencing an economic hardship (3-year limit);
- Engaged in services described under cancellation benefits; or
- Serving in a residency program in dentistry.

I understand that as of October 1, 2007, I may defer making scheduled installment payments, and will not be liable for any interest that might otherwise accrue on my Federal Perkins Loan, for an unlimited period during which I am serving on active duty during a war or other military operation or national emergency, or performing qualifying National Guard duty during a war or other military operation or national emergency, (as these terms are defined in 34 CFR §674.34(h) of the Perkins Loan Program regulations) and, if my active duty service includes October 1, 2007 or begins on or after that date, the 180-day period following the demobilization date for my service.

As of October 1, 2007, if I am serving on active duty military service on that date, or begin serving on or after that date for at least a 30-day period, I may defer making scheduled installment payments, and will not be liable for any interest that might otherwise accrue on my Federal Perkins Loans, for up to 13 months following the conclusion of my service and initial grace period if I am a member of the National Guard or other reserve component of the Armed Forces of the United States or a member of such forces in retired status (as these terms are defined in 34 CFR §674.34(i)(2)) and were enrolled in a program of instruction at the time, or within six months prior to the time I was called to active duty. Active duty does not include active duty for training or attendance at a service school or employment in a full-time, permanent position in the National Guard unless I am reassigned from that position to another form of active duty service.

CANCELLATIONS

I understand that I am entitled to cancel all or a portion of my loan principal and interest on my Perkins Loan if I qualify for cancellation under one of the areas listed below.

Teacher Cancellations

Upon making a properly documented written request to Campus Partners or LaGrange College, I am entitled to have up to 100% of the original principal loan amount of my Federal Perkins Loan cancelled for qualifying teaching service that includes August 14, 2008, or begins on or after that date, in a school or location, operated by an educational service agency, that has been determined to have a high concentration of low-income families. An official Directory of designated low-income schools and locations operated by educational service agencies is published annually by the department.

A teacher is defined as one who is a professional employee of a school or school system working **full-time for a complete academic year or its equivalent** and who is devoted to providing classroom instruction or related services in support of the educational program. Up to 100% of the outstanding loan principal balance may be cancelled for the following three types of teaching positions, at the rate of 15% the first and second year, 20% the third and fourth year, and 30% the fifth year.

- **Full-time teacher** in a public or nonprofit elementary or secondary school designated by the Secretary of Education as having a high concentration of low-income students, and in which more than 30 percent of the school’s enrollment is Title I children, according to the list published annually in the Federal Register.
- **Full-time special education teacher**, including teachers of infants, toddlers, children and youth with disabilities in a public or nonprofit elementary or secondary school system. The applicant must specify what percentage of students or clients in the class are disabled.
- **Teacher in a field of expertise** such as mathematics, science, foreign languages, bilingual education or other fields where the state education agency determines there is a shortage of qualified teachers.
Employment Cancellations

- Up to 100% of the outstanding loan principal balance may be cancelled for the following four types of employment services, at the rate of 15% the first and second year, 20% the third and fourth year, and 30% the fifth year. The employment must be full time and for a complete academic year or its equivalent.

- **Service as a law enforcement or corrections officer** in an eligible local, state or federal agency. The agency must be publicly funded and its principal activities must pertain to crime prevention, control, or reduction or enforcement of criminal law, and your principal responsibilities are unique to the criminal justice system. The applicant must be a sworn law enforcement officer, or a person whose principal responsibilities are unique to the criminal justice system.

- **Full-time employment as a nurse or medical technician** providing health care services for 12 consecutive months. A medical technician is an allied health professional (working in fields such as therapy, dental hygiene, medical technology, or nutrition) who is certified, registered, or licensed by the appropriate State agency. An allied health professional is someone who assists, facilitates, or complements the work of physicians and other specialists in the health care system.

- **Providing or supervising the provision of services to high-risk children** from low-income communities and families of such children, and working full time in a public or private nonprofit child or family service agency for 12 consecutive months.

- **Qualified professional provider of early intervention services** working full-time for 12 consecutive months in a public or other nonprofit program authorized in Section 676 (b)(9) of the Individuals with Disabilities Education Act.

Service Cancellations

- **Active duty service in the military** in an area of hostility that qualifies for special pay under Section 310 of Title 37 of the U.S. Code. I am eligible for up to 100% cancellation of the original principal loan amount for qualifying full-time service.

- **Volunteer service under the Peace Corps Act or Domestic Volunteer Service Act of 1973 (VISTA)**. Up to 70% of the outstanding loan principal balance may be cancelled, at the rate of 15% for the first two years of service, and 20% for the third and fourth year.

- **Full-time service in a Head Start program** carried out under the Head Start Act (formerly under the Economic Opportunity Act of 1964), and operated for a complete academic year or its equivalent. The applicant must be a full-time educational staff member, and must not earn more than a comparable employee working in the local educational agency. Validation must be attached. Up to 100% of the outstanding loan principal balance may be cancelled, at the rate of 15% for each year of service.

Additional Cancellation Benefits - Service Performed on or After 8/14/08

- **Full-time staff member in a pre-kindergarten or child care program** that is licensed or regulated by the State and that is operated for a period comparable to a full school year in the locality if my salary is not more than the salary of a comparable employee of the local educational agency. I am eligible for up to 100% cancellation of the original principal loan amount for qualifying service.

- **Full-time attorney employed in a defender organization** established in accordance with Section 3006(g)(2) of Title 18, U.S. Code. I am eligible for up to 100% cancellation of the original principal loan amount for qualifying full-time service.

- **Full-time firefighters** for service to a local, State, or Federal fire department or fire district. I am eligible for up to 100% cancellation of the original principal loan amount for qualifying service.

- **Full-time faculty member at a Tribal College or University**, as defined in section 316 of title 20, U.S.C. I am eligible for up to 100% cancellation of the original principal loan amount for qualifying full-time service.

- **Librarians with a master’s degree in library science** and employed in an elementary or secondary school that is eligible for assistance under Part A of Title I of the Elementary and Secondary Education Act (ESEA) of 1965 or in a public library that serves a geographic area that contains one or more schools eligible for assistance under Part A of Title I of the ESEA. I am eligible for up to 100% cancellation of the original principal loan amount for qualifying full-time service.

- **Full-time speech language pathologist** with a master’s degree and working exclusively with schools that are eligible for assistance under Title I of the ESEA of 1965. I am eligible for up to 100% cancellation of the original principal loan amount for qualifying full-time service.
CANCELLATION RATES
For each complete year of service under the Teaching Service, Attorneys Employed in a Defender Organization, Firefighter, Faculty of a Tribal College or University, Librarian, Speech-Language Pathologist and Military Service Cancellation provisions, I understand that a portion of my loan will be cancelled at the rate of 15% of the original principal loan amount for the first and second years of service; 20% of the original principal loan amount for the third and fourth years of service; and 30% of the original principal loan amount for the fifth year of service. I understand that the complete year of qualifying service must be performed after the enrollment period covered by the loan.

I understand that for each complete year of service under the Pre-Kindergarten or Child Care Program Cancellation provision, my loan will be cancelled at a rate of 15% of the original principal loan amount. The complete year of qualifying service must be performed after the enrollment period covered by the loan.

TOTAL AND PERMANENT DISABILITY DISCHARGE
I understand that upon making a properly documented written request to the school on or after July 1, 2008, I am entitled to a discharge of the total amount owed on my Federal Perkins Loan if the Department of Veterans Affairs determines that I am unemployable due to a service-connected disability.

FORBEARANCE
I understand that upon making properly documented written or verbal request to Campus Partners or LaGrange College, I am entitled to a forbearance of principal and interest, or principal only, renewable at intervals up to 12 months for periods that collectively do not exceed three years if:

- my monthly Title IV debt burden (Federal Stafford and Perkins) equals or exceeds 20% of my total monthly gross income;
- there is an authorized period of forbearance due to a national military mobilization or national emergency;
- LaGrange College determines that I qualify due to poor health or for other reasons, including service in AmeriCorps.

I understand that increase accrues during any period of forbearance.

REHABILITATING DEFAULTED LOANS
I understand that if I default on my Perkins Loan, I may rehabilitate my loan and cure the default by making a written request and making 9 on-time, consecutive monthly payments of an amount agreed to by LaGrange College. After my loan is rehabilitated, I understand that my collection costs may not exceed 24% of the unpaid principal and accrued interest as of the date following the application of the ninth consecutive payment. I understand that if I make the required payments my loan will be returned to regular repayment status, LaGrange College or Campus Partners will instruct the credit bureau(s) to remove the default from my credit history, and I will be eligible again to receive Title IV funds. In addition, any remaining deferment or cancellation benefits will be restored.

DEPARTMENT OF EDUCATION OMBUDSMAN
If you are unable to resolve a dispute with your lending institution concerning the terms of your student loan, you may contact the Department of Education Ombudsman via the internet at http://ombudsman.ed.gov or by telephone at 877-557-2575, by e-mail at fsaombudsmanoffice@ed.gov, or by mail at the following address:

U.S. Department of Education
FSA Ombudsman
830 First Street, NE
Fourth Floor
Washington, DC 20202-514

I certify that I have read this Rights and Responsibilities form and understand the terms and conditions of this loan.

_______________________________________________  __________________________
Signature Date

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