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## **FEDERAL PERKINS LOAN INFORMATION SHEET**

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### **Exit Interview**

At the time of withdrawal or graduation from The University of Tennessee Knoxville, the borrower is required to contact the Student Loan Department in the Office of the Bursar for the purpose of completing an Exit Interview.

It is the responsibility of every borrower to promptly notify this office of any change in name, address, telephone number or social security number. Please include your social security number on all correspondence and payments in order to correctly identify your account.

### **Repayment**

Monthly payments at the minimum rate of \$40 must commence at the expiration of the grace period as indicated on your Promissory Note. Since the maximum time allowed to repay the total loan is 10 years; larger loans will require monthly payments in excess of \$40. Smaller loans will be repaid in less than 10 years. Payments are applied to accounts in the following order: litigation costs, address search costs, collection costs, late charges, accrued interest, principal balance.

The borrower may at any time prepay any part of the loan without penalty.

The University is willing to cooperate with the borrower in any way possible. However, neglect such as late payments, failure to report changes in name, address and telephone number or failure to submit cancellation/deferment request forms on time, will result in collection action and The University will withhold transcripts and registration privileges.

All Federal Perkins Student Loans are reported to credit bureau organizations.

In the event of default, the entire unpaid loan, including interest, late charges and collection costs, shall, at the option of The University, become immediately due and payable. All attorneys' fees, collection costs and late charges will be paid by the borrower.

Loan consolidation programs are available through private financial institutions.

### **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. Interest charges may be canceled or deferred for eligible periods as specified in the Federal Regulations.

### **Cancellations Benefits**

A percentage of the loan may be canceled if the borrower meets Federal eligibility requirements. Properly executed and certified forms must be submitted to this office at least once each year in order to obtain cancellation. The University may require additional information or certification as necessary to verify the borrower's cancellation eligibility.

### **Deferment Benefits**

Loan payments need not be made when deferment as specified in the Federal Regulations has been granted. In some cases interest will continue to accrue during the deferment period. Student deferments are not granted for future periods of enrollment. Deferment of repayment is granted to borrowers who file a properly executed and certified request. The University may require additional information or certification as necessary to verify the borrower's deferment eligibility.