

CMC FEDERAL PERKINS LOAN FACT SHEET

What is a Federal Perkins Loan?

A Federal Perkins Loan is a low-interest (5%) loan for both undergraduate and graduate students with exceptional financial need. CMC is the lender, and the loan is made with government funds. Interest will not begin to accrue until nine months after you graduate or withdraw from CMC. You must repay this loan to CMC.

How much can I borrow?

This amount varies and is determined by the financial aid office. It depends on your level of need and the availability of funds at the time you apply.

How will I be paid?

Normally CMC will apply the loan to your student account. The loan is paid in at least two payments during the academic year.

Other than interest, is there a charge for this loan?

No, there are no other charges. However, while in repayment, if you skip a payment, if it's late, or if you make less than a full payment, you may have to pay late charges plus any collection cost.

Will I have the opportunity to cancel my loan after I sign the promissory note?

Yes. The financial aid office will notify you in writing once we credit your student account with your Perkins loan funds. You may cancel all or part of your loan if you inform us that you wish to do so within 14 days after the date that we send you this notice, or by the first day of the payment period, whichever is later.

How much will I have to repay each month?

Your monthly payment amount will depend on the size of your debt and the length of your repayment period. The chart on the reverse side shows a typical monthly payment and total interest charges for three different loans over a ten-year period. CMC has a minimum monthly repayment of \$40.00 a month.

If you are attending school at least halftime, you have nine months after you graduate from CMC, or withdraw. This is called a grace period. At the end of your grace period,

you must begin repaying your loan. You may be allowed up to ten years to repay the loan in full. Periods of deferment and forbearance (see the next paragraph for more information on these terms) do not count as part of this ten year-period.

What if I have trouble repaying the loan?

Under certain circumstances, you can receive a deferment or forbearance on your loan. During a deferment, no payments are required and interest does not accrue. During forbearance, payments are postponed or reduced. Interest continues to accrue, and you are responsible for paying it. For more information on deferments, forbearances, and loan cancellations please contact the Financial Aid Office.

Examples of Typical Payments for Perkins Loan Repayment

TOTAL LOAN AMOUNT	NUMBER OF PAYMENTS	MONTHLY PAYMENT	TOTAL INTEREST CHARGES	TOTAL REPAID
\$3,000	119	\$31.84	\$817.86	\$3,817.86
	1	\$28.90		
\$5,000	119	\$53.02	\$1,363.40	\$6,358.64
	1	\$49.26		
\$15,000	119	\$159.16	\$4,090.85	\$19,090.85
	1	\$150.81		

We hope this Perkins Loan Fact Sheet answers some of your questions regarding the loan program. We are happy to assist you in any way we can.

Sincerely,

The Financial Aid Staff