

YOU MUST COMPLETE, SIGN, AND RETURN

New York Institute of Technology Exit Counseling Test for Federal Perkins Loans

Perkins Loan Topic 1:

Things You Need to Know:

Now that you're leaving school (or dropping below half-time attendance), it's important to review the details of your Perkins Loan. A Federal Perkins Loan is a low-interest (5%) loan for both undergraduate and graduate students with exceptional financial need. **New York Institute of Technology is your lender.** The loan comes from government funds, with a share contributed by the school. As a result, NYIT--or its billing service, UAS--is your contact for everything about your Perkins loan.

Always remember:

1. You **MUST** pay back your loan, even if you don't finish school, get a job after leaving school, or your education didn't meet your expectations. If you pay on time, you build a good credit history, which makes it easier for you to borrow money in the future. If you don't pay, however, you will face serious consequences.
2. Stay in close touch with the financial aid professionals at your school. Contact them, or their billing service, with any changes in your name, address, phone, employment situation, etc.
3. Stay informed. Keep your records accurate and organized, so you can resolve problems more easily. Know the amount of your student loan payments--and when they begin. Read all information carefully. Keep copies of any promissory notes you sign; they tell you the total amounts borrowed and the names and addresses of the institutions from which you borrowed.
4. If you have trouble making payments, contact NYIT or its billing service *immediately*. You have several options for resolving difficulties.
5. Develop a budget to help you manage your debt including your student loan payments, credit card debt, and other living expenses.

You must tell NYIT or its billing service (UAS) about changes to your name, address, and phone number. In addition, you must let your school know if you:

- ☐ withdraw from school (or drop below half-time status),
- ☐ graduate,
- ☐ transfer to a new school (until your loan is paid in full, the school that administers your Perkins loan has the right to contact your new school--and any other school you attend--to find out about your student status, year of study, dates of attendance, graduation, withdrawal, transfer, and current address),
- ☐ change your employer (or your employer's address changes),
- ☐ change your Social Security Number or driver's license number,
- ☐ change your expected graduation date, or
- ☐ experience any other change that affects your loan status (for example, if you get a job and therefore lose your eligibility for an unemployment deferment).

Things You Need to Know (continued):

Please answer the question(s) below. Refer to the text above for guidance if necessary. You must answer the questions correctly to complete this counseling session.

1. My lender for my Federal Perkins Loan is:
 - a. My school
 - b. The federal government
 - c. My state guarantor
 - d. The bank where I have my checking account

2. I must pay back my Perkins loan:
 - a. Only if I'm satisfied with my education
 - b. Once I get a job
 - c. Once I earn enough to make the payments
 - d. Even if I don't graduate

Perkins Loan Topic 2:

Preparing for Repayment

It is critical that you know how much you have accumulated in student loan debt. To monitor all of your federal student loans, you may access the National Student Loan Data System (NSLDS) on line at www.nslds.ed.gov or call toll-free 1-800-4-FED-AID (1-800-433-3243). You will need your FSA ID to view your loan history. **Please note that this web site does not list your alternative or private student loans.**

Several steps take place after you leave school or drop below half-time attendance. First, you get a **grace period**--a period of time (nine months) when you don't have to make payments toward your Perkins loan. (Of course, you can prepay your loans any time you want, without penalty.) During the grace period, no interest accrues on your loan.

What if you re-enroll in school? It depends on when you do it. If you re-enroll at least half-time during this grace period--and you file for deferment--you get another nine-month grace period the next time you drop below half-time. If you re-enroll after the grace period, however, your next grace period will only be six months.

Your repayment schedule will provide you with the interest rate, payment amounts, and payment methods. Payment methods at each school differ, but may include:

- ❑ ACH (Automated Clearing House)--an automatic deduction each month from your checking or savings account. You'll save money by not writing a check or paying postage.
- ❑ Billing statements
- ❑ Coupon books

You should contact NYIT if you don't receive your repayment schedule or if you would like a copy of your promissory note.

If you have a loan in grace and are ordered to active Military duty, you are eligible to have one or more extensions of the grace period, for up to three years. This includes the time necessary to resume enrollment at the next available enrollment period. If you are called to active duty during the initial grace period, a new nine-month initial grace period can be granted upon completion of the excluded period.

Education Tax Benefits

The Perkins loan, like all federal loans, offer you certain tax benefits when you pay your loan on time. More information about tax benefits is available in your exit package. The following is a list of the programs that may be offered by the IRS:

- ❑ **Tax credits**
 - **American Opportunity Credit:** Families may receive a tax credit for expenses paid for the student's first four years of college.
 - **Lifetime Learning Credit:** You may claim a tax credit for education expenses incurred after the first two years of postsecondary education.
- ❑ **Tax deductions**
 - **College Tuition and Fees Deduction:** You can reduce your taxable income for higher education expenses.

- **Student Loan Interest Deduction:** Allows eligible student loan borrowers can deduct a portion of interest paid.
- ☐ **Other potential tax benefits:**
 - Other ways of receiving tax credits or tax deductions on the cost of higher education include Education IRA withdrawals and educational assistance provided by an employer (tuition reimbursement programs).
 - Your state may offer tax credits or deductions for educational expenses and/or student loan payments. Contact your state tax authority for more information.

For more information, contact a tax advisor or visit www.irs.gov .

Perkins Loan Topic 2

Preparing for Repayment (continued)

Please answer the question(s) below. Refer to the text above for guidance if necessary. You must answer the questions correctly to complete this counseling session.

3. During my grace period, I will receive the following information from NYIT or UAS:
 - a. A repayment schedule
 - b. Interest rate information
 - c. Payment methods available
 - d. All of the above

4. The grace period before I must begin repayment on a Federal Perkins Loan is:
 - a. An initial nine month grace period
 - b. Twelve months
 - c. A six month grace period, if I used up my initial grace period prior to returning to school
 - d. A and C

Perkins Loan Topic 3:

Loan Repayment:

Your first payment is due one month after your grace period ends. The Federal Perkins Loan usually carries a minimum monthly payment of \$40; your payment may be higher, depending on your loan balance. The maximum repayment period is 10 years. UAS may assign you to a quarterly payment cycle. In this case, your minimum quarterly payment (due every 3 months) is \$120.

Loan Amounts and Monthly Payments:

The chart below shows sample loan amounts and monthly payments based on the 5% interest rate:

Amount Borrowed	Monthly Payment	Number of Payments	Total Amount Paid
\$1,500	\$40	41	\$1640
\$3,500	\$40	109	\$4362
\$5,500	\$58.34	120	\$7000.80
\$6,500	\$68.94	120	\$8272.80
\$7,500	\$79.55	120	\$9546
\$8,500	\$90.16	120	\$10,819.20
\$10,000	\$106.70	120	\$12,728.40
\$12,500	\$132.58	120	\$15,909.60
\$15,000	\$159.10	120	\$19,092
\$20,000	\$212.13	120	\$25,455.60
\$27,500	\$291.39	120	\$35,001.60
\$60,000	\$636.39	120	\$76,366.80

Loan Consolidation

If you have substantial student loan debt or several types of loans, you might want to look into a Consolidation Loan. With consolidation, a lender buys all your eligible loans and combines them into one.

Consolidation Loans have their advantages and disadvantages. On the plus side, they offer you up to 30 years for repayment, instead of 10 (depending on your loan balance). You only have one payment, and payments remain the same when you select the standard repayment plan.

On the down side, however, the extra 20 years means extra interest accrual. That may substantially increase the total amount you pay. Plus, you could lose certain deferment options and interest-free periods, such as grace periods. **Consolidation also takes away your eligibility for any Perkins Loan cancellation provisions for full-time employment in the following fields:**

- ☐ Teacher in a public or nonprofit school (elementary or secondary level). The teaching must be in a school serving low-income students, in a field of expertise where the state education agency determines there is a shortage of qualified teachers, or in one of the following fields: mathematics, science, foreign language, or bilingual education.
- ☐ Teacher in special education for infants, toddlers, children, or youth with disabilities. Your teaching can take place in a public or nonprofit school system (elementary or secondary level).
- ☐ Full-time staff members in a prekindergarten or child care program that is licensed or regulated by the state.

- Full-time speech language pathologists with a master’s degree working exclusively in Title I schools.
- 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.
- ☐ Full-time faculty members at a tribally controlled university.
- ☐ Nurse or medical technician (or allied health professions).
- ☐ Full-time firefighters.
- ☐ Full-time employee in a child or family service agency (either public or private nonprofit) that is providing, or supervising the provision of, services to high-risk children who are from low-income communities, as well as to the families of these children.
- ☐ Full-time, qualified, professional provider of early intervention services in a public or other nonprofit program under public supervision by the lead agency, as authorized in section 632(5) of the Individuals with Disabilities Act.
- ☐ Law enforcement, public prosecutor, public defender, or corrections officer.
- ☐ Full-time staff member in a Head Start program.
- ☐ A member of the Armed Forces in an area of hostilities that qualifies for special pay under section 310 of Title 37 of the United States Code.
- ☐ Volunteer under the Peace Corps Act or the Domestic Volunteer Service Act of 1973 (ACTION programs).

Your Consolidation Loan would be set up at the current consolidation interest rate, and you would lose the original 5% interest rate.

To find out if a consolidation loan is right for you, please go to <https://studentaid.ed.gov/sa/repay-loans/consolidation> for more information.

Consolidation repayment example:

You have the following loans you're considering consolidating:

- Loan A: \$2,625 at 4.13% interest
- Loan B: \$3,500 at 5.2% interest
- Loan C: \$5,500 at 6.1% interest
- Loan D: \$5,500 at 6.8% interest

If you consolidate these loans (a total of **\$17,125**), you'll have **15 years (180 months)** to repay your Consolidation Loan. The weighted average interest rate of the loans is **5.839 percent**. This is rounded up to the nearest 1/8th of one whole percent, resulting in your fixed interest rate of **5.875 percent**. If you repay your Consolidation Loan under an equal payment plan, your monthly payment will be **\$143.36**. In the end, you will have paid **\$25,804.18**, which includes **\$8,679.18** in interest.

Perkins Loan Topic 3:

Loan Repayment (continued):

Please answer the question(s) below. Refer to the text above for guidance if necessary. You must answer the questions correctly to complete this counseling session.

5. What is the maximum length of time I have to pay back my Federal Perkins Loan?
 - a. Five years
 - b. Ten years
 - c. No limit as long as I pay the interest
 - d. As my income allows
 - e. A and C

6. My first payment is due:
 - a. One month after my grace period ends
 - b. As soon as I graduate
 - c. One month after I graduate
 - d. When I can afford to make a payment

Perkins Loan Topic 4:

Loan Cancellation and Discharge:

You may be eligible to request a partial cancelation of your Perkins loan if you work or perform a service as one of the following:

- ☐ A teacher in a public or other nonprofit elementary or secondary school. The teaching must take place in a school serving low-income students or in a field of expertise, including math, science, foreign languages, bilingual education, or any other field of expertise where New York State determines that there is a shortage of qualified teachers.
- ☐ A teacher in special education for infants, toddlers, children or youth with disabilities, in a public or nonprofit elementary or secondary school system.
- ☐ Full time staff members in a pre-kindergarten or child care facility that is licensed or regulated by the State of New York.
- Full time speech pathologists with a Master’s degree working exclusively in Title I schools.
- 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.
- ☐ Full time faculty members at a tribally controlled university.
- ☐ Nurse, medical technician, or allied health professional.
- ☐ Full time firefighters.
- ☐ Full time employees in a public or private nonprofit child or family service agency who is providing (or supervising the provision of) services to high risk children who are from low-income communities, and the families of these children.
- ☐ Full time qualified professional provider of early intervention services in a public or other nonprofit program under public supervision by the lead agency as authorized in section 632(5) of the *Individuals with Disabilities Act*.
- ☐ Full-time law enforcement or corrections officers.
- ☐ Full-time attorneys employed in a public or community defender organization.
- ☐ Full-time staff members in the education component of a Head Start Program.
- A member of the Armed Forces, serving in an area of “hostilities or imminent danger” that qualifies for special pay under section 310 of Title 37 of the United States Code of Federal Regulations.
- ☐ A volunteer under the *Peace Corps Act* or the *Domestic Volunteer Service Act of 1973* (ACTION programs).

If you serve as an enlisted person in certain specialties of the U.S. Army, the Army Reserves, the Army National Guard, or the Air Force National Guard, the US Department of Defense may, as an enlistment incentive, repay a portion of your Perkins loan. Please note that this is not a cancellation. If you think you qualify, please contact your recruiting officer.

Service with AmeriCorps may also provide educational awards to help pay back student loans. Contact AmeriCorps at www.americorps.gov for more information.

Finally, if you become totally and permanently disabled or if you die, your loan obligation will be canceled. Loan cancellation due to disability requires certification from a physician and is subject to a conditional period of three years. You must file cancellation forms annually.

Perkins Loan Topic 4:

Loan Discharge and Cancellation (continued):

Please answer the question(s) below. Refer to the text above for guidance if necessary. You must answer the questions correctly to complete this counseling session.

7. If I qualify for Federal Perkins Loan cancellation:
 - a. My loans are automatically cancelled.
 - b. I must file the cancellation form annually.
 - c. I can just stop paying my loan.
 - d. NYIT or UAS will know to contact me.

8. Loan cancellation due to disability :
 - a. Is subject to a three year conditional period.
 - b. Requires certification from a physician.
 - c. Is not an option with a Perkins loan.
 - d. Both A and B.

Perkins Loan Topic 5:

Solutions for Repayment Problems:

New York Institute of Technology understands that you may experience financial difficulty upon leaving school. If you skip even ONE payment, you may be considered in default on your student loan, facing serious consequences. As a result, NYIT offers options that temporarily reduce or suspend your monthly payments. If you are experiencing difficulty paying your loans, you should contact NYIT or its billing service for assistance in handling your loan payments.

Deferment:

A deferment is a period of time during which NYIT temporarily suspends your regular payments. If your loans were originated on or after July 1, 1993, you may be eligible for the following deferments:

- ☐ In-School Deferment (must be enrolled for 6 or more credits)
- ☐ Graduate Fellowship program
- ☐ Rehabilitation training program
- ☐ Military service
- ☐ Unemployment
- ☐ Economic hardship
- ☐ Service eligible for partial loan cancellation (as listed in Topic 4 of this counseling).

Interest is not charged during deferment periods.

NYIT must determine your eligibility for any of these deferments. In order to be considered for a deferment, you must complete a deferment request form, as provided by the loan servicer (UAS), attach all requested additional documentation, and return it to UAS promptly. They will notify you once a determination has been made. Please refer to your Master Promissory Note for specific deferment provisions.

Forbearance:

Forbearance is a period of time during which NYIT temporarily suspends your regular payments. You may request a forbearance if you are willing, but unable, to make your full payments. You are responsible for the interest that accrues while the loan is in forbearance. You must contact UAS to request forbearance.

Perkins Loan Topic 5:

Solutions for Repayment Problems:

Please answer the question(s) below. Refer to the text above for guidance if necessary. You must answer the questions correctly to complete this counseling session.

9. If I miss one payment and therefore may be in default, I should:
 - a. Do nothing.
 - b. Contact NYIT or UAS for payment arrangements.
 - c. Declare bankruptcy, since it's my only option.

10. To be considered in default of my student loan:
 - a. I must miss at least 6 months of payments.
 - b. I must miss just one payment.
 - c. I must have bounced a check.
 - d. I must miss one year of payments.

Perkins Loan Topic 6:

Delinquency and Default

If you haven't made a payment toward your Perkins loan in over 30 days, you are considered **Delinquent**. If you haven't made a payment in 240 days, you are in **Default**. Default can have serious consequences--not just extra charges for late payments, but also:

- ❑ damage to your credit rating, which could impact your ability to borrow (for example, you may be denied a car loan);
- ❑ referral of your account to a collection agency;
- ❑ collection costs;
- ❑ garnishment of your wages;
- ❑ withholding of your state or federal Treasury payments (including federal tax refunds, Social Security benefits, etc.);
- ❑ civil lawsuit, including court costs and legal expenses;
- ❑ loss of deferment and forbearance entitlements and flexible repayment options;
- ❑ loss of eligibility for further financial aid; and
- ❑ suspension of your professional license.

In addition, when you fail to repay your student loan, the total balance may become due immediately.

There is no statute of limitations for student loans, and your creditors will not cease in their efforts to collect this debt. Remember, if your loan is turned over to a collection agency, you will be responsible for collection costs assessed by the agency. These charges, in addition to late charges, will dramatically increase the amount you owe.

Bankruptcy doesn't cancel your loan obligation either; however, a loan may be eligible for discharge/cancellation due to bankruptcy if you can prove undue hardship in an adversary proceeding in bankruptcy court.

If you default, you may be eligible for the loan rehabilitation program. Once a loan is rehabilitated, the school will instruct credit bureaus to remove the default from your history and return your account to regular repayment status. You'll also regain the balance of benefits and privileges listed in the promissory note. **Rehabilitation can only be granted once per loan.** You can include a defaulted loan in consolidation if you've made satisfactory arrangements to pay it.

For help with a dispute or problem

The Federal Student Aid (FSA) Ombudsman Group works with student loan borrowers to resolve loan disputes and problems informally. The goal is to find creative alternatives for borrowers who need help with their federal loans. You can reach the FSA Ombudsman Group at:

U.S. Department of Education
FSA Ombudsman Group
P.O. Box 1843
Monticello, KY 42633
Toll-free phone: 1-877-557-2575
Fax: 606-396-4821
Internet: <https://feedback.studentaid.ed.gov/> or <http://StudentAid.gov/ombudsman>

Perkins Loan Topic 6:

Delinquency and Default (continued):

Please answer the question(s) below. Refer to the text above for guidance if necessary. You must answer the questions correctly to complete this counseling session.

11. If I default on my student loan:
 - a. My credit rating will be damaged
 - b. I shouldn't worry about it.
 - c. My tax refund may be withheld.
 - d. Both A and C.

12. If I default on my student loan:
 - a. The collection agency only has 5 years to collect on this loan.
 - b. The debt will only be on my credit history for 1 year after I default.
 - c. There is no statute of limitations on student loans, therefore my creditor will not cease in their efforts to collect the debt.
 - d. I won't be eligible to attend school ever again.

Confirmation Agreement

I, the undersigned, have read and understand the Perkins loan information listed above. I attest that I was given the opportunity to ask questions and/or request clarification in regard to the information contained within this document. By signing this, I agree to uphold my loan commitment as stated in the MPN that I signed, and to the terms and conditions of the Federal Perkins Loan program.

Student's Full Name (Print)

Student ID #

Student SSN

Student's Signature

Date

Please mail this whole document to:

New York Institute of Technology
PO Box 8000
Northern Blvd.
Old Westbury, NY 11568
Attn: Office of Financial Aid

Thank you.