

Financial Aid: Federal Perkins Loan FAQs

Last Modified on 12/07/2021 3:49 pm CST

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What if I have concerns about the terms of my loan that cannot be resolved by talking to my lender?

There is an expert ombudsman established to work with you to informally resolve any loan disputes or problems. If you have concerns, contact the Ombudsman Customer Service Line at 1-877-557-2575.

How do I begin repayment?

You must begin repaying your Perkins loan nine months after you graduate, leave school, or drop below half-time. No payments are required and no interest will accrue during this nine-month grace period. Your minimum monthly payment will depend on the size of your debt, but it will be no less than \$40 a month. You are given up to 10 years to repay your debt.

Can my Perkins loan ever be canceled?

Your loan can be canceled if you die or become totally and permanently disabled. You can also qualify for cancelation of up to 50% if you served in the Armed Forces in a hostile or dangerous area, and cancelation of up to 100% under certain conditions such as:

- Being a full-time teacher in a low-income community or in a field short on teachers.
- Being a full-time special education teacher.
- Being a full-time provider of early intervention services for the disabled.
- Being a full-time law enforcement or corrections officer.
- Being a full-time nurse.

- Being a full-time staff member in a Head Start Program.
- Being a volunteer with VISTA or Peace Corps.

What is Federal Perkins Loan forgiveness for teachers?

For every full, consecutive, uninterrupted year of full-time employment in any of the eligible professions listed below, you may qualify for cancellation benefits on your Federal Perkins Loan. You must file a deferment form at the beginning of each full year of employment and a cancellation form at the end of each full year. Cancellation percentages are processed as follows: 15% for each of the first and second years, 20% for each of the third and fourth years, and 30% for the fifth year. It is possible to have 100% of your loan canceled over a five year period.

Teaching positions available for the loan forgiveness include the following:

- Those teaching in a low-income school eligible for funding under Chapter 1 of the Education Consolidation and Improvement Act of 1981.
- Teachers of handicapped students, including teachers of infants, toddlers, and children, or youths with disabilities in a public or nonprofit school or agency.
- Teachers of mathematics, science, foreign languages, bilingual education, or any field of expertise determined by the state education agency to have a shortage of qualified teachers.
- Teaching service in a school or location, operated by an education service agency, that has been determined to have a high concentration of students from low-income families.

Additionally:

- If the borrower teaches at a school that does not qualify as a low-income school in a subsequent year, the borrower remains eligible for loan cancellation as long as the borrower continues to teach full-time at the school.
- Infants, toddlers, children, and youths with disabilities are defined in Section 602(a)(1) and 672(2) of the Individuals with Disabilities Education Act.
- It is the borrower's responsibility to notify the lender of shortage areas recognized by their state.
- Upon making a properly documented written request to the holder of the loan, you are entitled to have up to 100% of the original principal amount of your Federal Perkins Loan canceled for qualifying teaching services that includes August 14, 2008, or begins on or after that date, in a school or location operated by an education service agency that has been determined to have a high concentration of students from low-income families. An official directory of the designated low-income schools and locations operated by educational service agencies is published annually by the Department.

Are there other cancelation benefits?

For every full year of full-time employment as a Head Start member, you are eligible to have 15% of your loan canceled. You must file a deferment form at the beginning of each year of employment and a cancelation form at the end of each year. You may be eligible for cancelation of 100% of your loan.

Upon making a properly documented written request to the holder of your loan, you are entitled to have up to 100% of the original principal loan amount canceled for qualifying service that includes August 14, 2008, or begins on or after that date, as a 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 your salary is not more than the salary of a comparable employee of the local education agency.

NOTE: This information is to be used for reference only. If you have any questions regarding a particular cancelation benefit, please call Blugold Central at 715-836-3000. Loan Services will provide you with a copy of the Federal Regulations as printed by the Department of Education.
