Federal Perkins Loans at NIU: An Overview

Loans made through the Federal Perkins Loan Program, often called Perkins Loans, are low-interest federal student loans for undergraduate students with exceptional financial need.

Here’s a quick overview of Federal Perkins Loans:

- The Federal Perkins Program, which had expired on September 30, 2015, has been extended through September 30, 2017 after which the program will expire permanently.
- Available to undergraduate students with financial need.
- The Perkins Loan has a 5% fixed interest rate.
- Repayment is deferred and no interest is charged while you are enrolled at least half-time as a degree seeking student.
- There is a nine-month grace period before repayment begins.
- Northern Illinois University acts as the lender for your Perkins Loan and will collect your payments according to federal regulations. NIU may use a loan servicer to assist with this process.
- The U.S. Department of Education provided NIU with limited Perkins Loan funding in prior years and NIU contributed to the loan fund. Although we no longer receive annual federal funds, we are able to make limited loans available by re-lending funds that former students repay to the fund.

Am I eligible for a Perkins Loan?

You may be eligible for a Perkins Loan if you:

- are an admitted undergraduate student with exceptional financial need
- are making Satisfactory Academic Progress
- are otherwise eligible for federal Title IV funds
- have unmet need as determined by the federal formula
  - Students borrowing their first NIU Perkins Loan after September 30, 2015 must have unmet need after their maximum eligibility for both subsidized and unsubsidized Federal Direct Loans has been considered.
- have not exceeded the annual or lifetime Perkins Loan limit
- meet enrollment level criteria
**How much can I borrow?**

The amount you can borrow depends on your financial need, the amount of other aid you receive, and the availability of Perkins funds at NIU based on repayment to the funds.

If you are an undergraduate student, you may be eligible to receive up to $5,500 a year. The total you can borrow as an undergraduate is $27,500.

**Other than interest, is there a charge for a Perkins Loan?**

No, there are no other charges. However, if you skip a payment, if your payment is late, or if you make less than a full payment, you might have to pay a late charge plus any collection costs.

Collection costs are expenses charged on defaulted or delinquent federal student loans that are added to the outstanding principal balance of the loan. These expenses can be up to 18.5 percent of the principal and interest for defaulted Direct Loans or Perkins Loans.

**How will I receive my loan?**

NIU will apply your loan funds as a credit to your student account to pay for tuition, fees, room and board, and other allowable educational charges. If any loan funds, together with other refundable financial aid, exceeds these charges, the credit balance will be refunded to you. All financial aid that is refunded is intended for use to pay for your other education expenses.

**Can I cancel a loan?**

Yes. Before your loan money is disbursed, you may cancel all or part of your loan at any time by notifying the NIU Student Financial Aid Office. After your loan is disbursed, you may cancel all or part of the loan within certain time frames.

**When do I have to pay back my Perkins Loan?**

If you are attending school at least half-time, you have nine months after you graduate, leave school, or drop below half-time status before you must begin repayment.