



# Getting Your Perkins PhD

May 17, 2012

**Financial Aid has Awarded Perkins – Now What?**



# We Fear That Which We Do Not Understand

- Regulations
- Auditors' Findings
- Cohort Default Calculation



# Forge a School-Billing Servicer Partnership



- Share Knowledge
- Support for Audits
- Annual Review of Program Setup to Ensure Continued Compliance



# The Beginning: Making the Loan, In-School Status

- Entrance Interviews
- Prom Notes
  - 34CFR 674.31
  - DCL CB-06-11
  - *TILA, Reg Z*
- Annual Disclosures
  - 34CFR 674.16(a)
  - 34 CFR 674.19(e)(4)(iii)
- Red Flag Rules
  - FTC 16 CFR 681
- Tax Forms
  - IRS Publication 970



## The Next Step: Exit Process



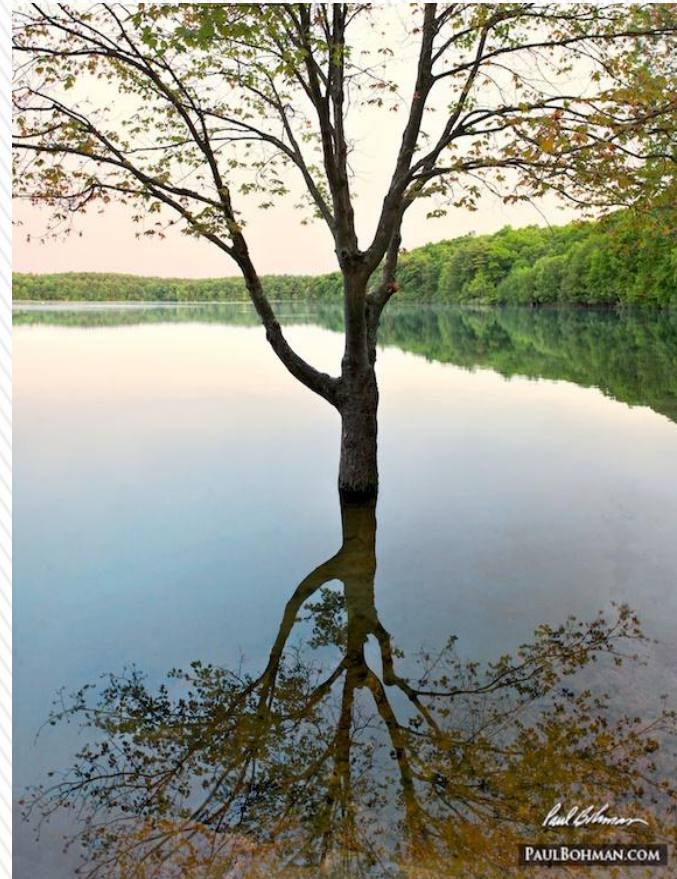
**34 CFR 674.42(b)**  
**HEOA section 488(b)**  
**HEA section 485(b)(1)(A)**

- Graduates
- Withdrawn or LTHT
- Notification of need to go through exit process
- Exits: Online / Mailed
  - **34 CFR 674.42(b)**



# The Calm Before the Storm: Grace

- Grace Audit Notices
  - 34 CFR 674.42(c)
- Should you do more?
- Multiple Grace Periods?
- NSLDS Reporting



# Uh-Oh: Here Comes Repayment



- Billing: Monthly vs. Quarterly, etc.
  - 34 CFR 674.41(a)
  - 34 CFR 674.43
- Multiple payment options
- Consolidation and LVCs
  - HEA Section 428C(a)(3)



# Whew: Deferments, Cancellations, Etc.

- Deferments
- Cancellations
  - 34CFR 674.52
- Forbearance
  - Interest due at end of Forbearance
- Death and Disability





# Say It Isn't So: Delinquency & Default



- 60-Day Final Demand Letters *and* 90-Day Due Diligence Calls
  - 34 CFR 674.43(b)
  - 34 CFR 674.43(c)
- Definition of Default
- Cohort Default and the Orange Book
  - <http://ifap.ed.gov/perkinscdrguide/1011PerkinsCDR.html>
- Skip-Tracing
  - 34 CFR 674.44



# Far from the Pathway: Looking into the Abyss

- Government Assignment
  - HEA Section 463(a)(5)
- State Tax Offset
  - IRS Reform Act of 1998
- Perpetual Billing
- Settling
- Can you collect after 7 years?



# To the Rescue: Pre-Collections and Collection Agencies



- Pre-Collections
  - Internal
  - External
- Credit Bureau Reporting and E-OSCAR
  - 34 CFR 674.45(a)(1)&(b)
- DRAP
  - Dear Colleague Letter CB-05-11
- Rehabilitation
- Acceleration
- Collection Agencies



## Successful Conclusion: Paid in Full

- Prom Notes vs. PIF Letters
  - 34 CFR 674.19(e)
- Retention of Original Notes
  - 34CFR 674.19(e)(4)(iii)
- Replenishes your Perkins Program
- They key to success?  
Communication with your borrowers.





# **CONGRATULATIONS GRADUATES !!**

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