

PERKINS LOAN PROGRAM

The Perkins Loan Program provides low-interest loans to students who cannot borrow or afford more expensive private student loans. Colleges originate service and collect the loans. Through a revolving fund, institutions maintain loans available for future students. In order to participate, institutions are required to provide a share that is greater than or equal to:

- 33.33% of the Federal Capital Contribution; or
- 25% of the combined Federal Capital Contribution and the Institutional Capital Contribution

Since the program's creation in 1958, institutions have invested millions of dollars in their own funds in the program. Besides making higher education accessible for low-income students, the program serves as an incentive for people who wish to go into public service by offering targeted loan cancellations for specific professions in areas of national need such as teaching, nursing, and law enforcement.

Additional Information about the program:

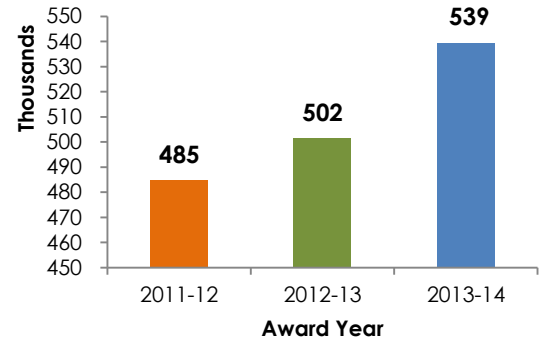
- Offers students a set **5 percent interest rate**
- Offers **non-accrual of interest** during the in-school and grace periods
- Institutions **match one third or more** of the program funds
- Loan cancellations have not been funded by the Federal government in recent years, now totaling more than **\$400 million**
- The default rate on Perkins is **2% lower** than that of other federal student loans

PROGRAM FIGURES

	AY 2011-2012	AY 2012-2013	AY 2013-2014
Total Borrowers	484,656	501,615	539,448
Federal Appropriations	\$0	\$0	\$0
Amount Lent	\$948,512,000	\$1,010,264,000	\$1,171,513,000

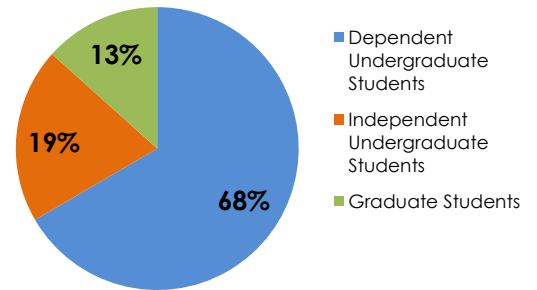
Department of Education's "Federal Campus-Based Programs Data Book, 2015", Table 3

PERKIN BORROWERS



Department of Education's "Federal Campus-Based Programs Data Book, 2015", Table 3

DISTRIBUTION OF PERKIN BORROWERS BY STUDENT CLASSIFICATION, AWARD YEAR 2013-14



Department of Education's "Federal Campus-Based Programs Data Book, 2015", Table 45

STUDENT SUCCESS STORY

"I am a graduate of the University of Wisconsin-Madison. Without Perkins Loan money I don't believe it would have been possible for me to complete my degree, which I was able to do in four years. My family hit upon financial difficult times while I was attending Madison, and the Financial Aid Department helped me by factoring those challenges into my aid package as a junior and senior. The fact that I did not have to pay interest while I was in school was a huge help to me. I was attending school full time, working and trying to live on a meager budget. The program fills an important void in the packaging of financial aid in particular for those who have the greatest need. I am a grateful and successful small business owner. I paid my loan off in full about a year ago with pride and excitement. I know that when I repaid my loan it was returned to a revolving fund and will be lent back out to other students in need."

-Benjamin Wooten, University of Wisconsin – Madison, Class of 2004,
Small business owner, Genoa City, Wisconsin

Directly taken from the Committee for Education Funding's *Education Matters: Investing in America's Future Fiscal Year 2016* report