

# FEDERAL PERKINS LOANS ASSIGNMENT PROCEDURES

## Federal Perkins Loan Program/NDSL Assignment Submission Procedures

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## FEDERAL PERKINS LOANS ASSIGNMENT PROCEDURES

### **General Information:**

Schools may assign defaulted loans and, if a school is liquidating and withdrawing from the Perkins Loan Program or if the school is closing, non-defaulted loans to the Department of Education (the Department) at any time during the program year. All loans that a school assigns to the Department are assigned without recompense. The Department will not reimburse the school's Federal Perkins Loan Fund for the loans, and all rights, authorities and privileges associated with the loan are transferred to the United States. The school is relieved of incurring additional expenses in attempting to collect on the loan. Any funds collected by the Department on these loans are the property of the United States. Note that assignment of defaulted loans will not affect the calculation of the school's Perkins Loan cohort default rate.

The Department recognizes that a school may have exhausted all of its available collection options on some of its defaulted Perkins loans and encourages schools to assign these loans to the Department so additional steps can be taken to recover the loan funds. The Department has collection tools that are not available to schools, such as administrative wage garnishment, Treasury offset, and litigation by the Department of Justice.

Please carefully read and follow the assignment procedures. Loan assignment submissions not adhering to these procedures may be rejected. Schools must submit accounts for assignment using the Perkins Assignment Form. A photocopy or computer facsimile of the form is acceptable, as long as the Institutional Certification bears an original signature.

### **Submission Period Deadline:**

Schools participating in the Federal Perkins Loan Program may submit assignment packages to the Department at any time during the processing year (the processing year runs from July 1 of one calendar year through June 30 of the next calendar year; for example, July 1, 2012 - June 30, 2013). However, in order to avoid delays and to facilitate the Fiscal Operations Report and Application to Participate (FISAP) reporting process, any assignment submission or resubmission mailed by a school between June 21 and June 30 must have a postdated certification date of July 1 of the following processing year, with interest due for the assigned loan(s) calculated through that date.

### **Submission Documentation:**

The loan period for a Perkins loan may not exceed one year. If a borrower attends a school for more than one academic year, and receives a Perkins loan for each of those years, the borrower has received a separate Perkins loan for each year of attendance. Separate loans may only be bundled together into one account for assignment if they have been reported to the National Student Loan Data System (NSLDS) as one loan. Do not bundle the loans if they have been reported individually to NSLDS. A school is required to submit the documentation for any loan that is submitted for assignment.

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### **Required Documentation:**

#### **Submission Package Manifest**

Each assignment submission package must include a manifest listing the accounts submitted. If the loans included in an account were initially reported to NSLDS as one loan, the loans in the account should be listed as one loan on the manifest. If the loans included in an account were initially reported to NSLDS as separate loans, the loans should be listed separately on the manifest. Consistent reporting of the loans to NSLDS and on the manifest will reduce the possibility of matching errors in NSLDS.

See Section C of the Institutional Certification page of the Perkins Assignment Form for detailed instructions on the contents and format of the manifest.

#### **Perkins Assignment Form**

The approved Federal Perkins Loan Program/NDSL Assignment Form (OMB Number 1845-0048) must be used for assignment submissions.

A school is required to complete only one Institutional Certification page of the Perkins Assignment Form for each assignment submission package. The Institutional Certification page must bear the original signature of the school official who is authorized to transfer the institution's assets. The Borrower and Loan Information page of the Perkins Assignment Form should be completed for each loan included in the assignment submission package.

A school may also use a computer-generated facsimile or photocopy of the approved Perkins Assignment Form. If an institution chooses to use a computerized facsimile of the Perkins Assignment Form, it must ensure, to the extent possible, that the computer-generated form is identical in format and content to the OMB-approved Perkins Assignment Form. Facsimiles that do not comply with this requirement or cannot be easily read due to tight spacing or blurring will be rejected. Assignments using any form other than the approved Perkins Assignment Form, or an acceptable facsimile or photocopy of that form will be rejected.

Detailed instructions for completing the Perkins Assignment Form are provided in a separate document. Please read these instructions carefully.

An account may not be assigned if the total amount outstanding is less than \$25, unless the borrower has more than one loan (NDSL, Defense, Federal Perkins) that when combined, total \$25 or more. The following are special instructions for assigning loans of different types of less than \$25 that, when combined, equal at least \$25:

- Complete the Borrower and Loan Information page of the Perkins Assignment Form for each loan,

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- Package all loans for that borrower together, and
- Include a clarifying statement explaining the combination of loans being assigned.

### **Original Promissory Note and Certification/Audit of E-Signature Process**

All promissory notes that are submitted for assignment must be valid legal instruments. Open-end and closed-end Perkins/NDSL promissory notes must contain signatures, loan amounts, and dates for each loan period. Perkins Master Promissory Notes (MPNs) must contain the borrower's signature. For Perkins Loans made using an MPN, the principal amount loaned must be supported by institutional disbursement records. Schools are not required to submit disbursement records with the assignment package unless the school is liquidating and withdrawing from the Perkins Loan Program or if the school is closing. Schools not withdrawing from the program or closing that assign defaulted loans are not required to submit disbursement records, but are required to maintain disbursement records at the school for at least three years from the date the loan is canceled, paid-in-full, or otherwise satisfied.

At some schools, audits and program reviews may have already identified defective or invalid notes. These loans may not be assigned without the approval of the appropriate Department official until these defective notes have been corrected. If a defective promissory note cannot be corrected, the institution may still assign the loan by following the procedures below for assigning loans with missing or defective promissory notes.

If the original promissory note is no longer available and only a photocopy exists, the photocopy (front and back) may be submitted with the following statement, signed by an appropriate institutional official, appearing on the photocopy:

***"Certified True Copy"***

***I declare under penalty of perjury that the foregoing is a true and correct copy of the original promissory note.***

***Signature:***

***Title:***

***Date:***

If neither the original nor a photocopy of the promissory note is available, or if the promissory note is defective, the loan may still be assigned if the school submits copies (front and back) of the signed disbursement checks or vouchers, or submits an original legal judgment with the appropriate transfer statement (see additional information on judgments below).

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Copies of disbursement checks or vouchers may also be submitted as documentation of unsigned advances on a closed-end or open-end promissory note. Partial assignment of a note may be made by including a clarifying statement noting that assignment is being made of only the valid advances and by completing the Perkins Assignment Form to reflect this.

If a school has a National Defense Student Loan and a National Direct Student Loan on the same promissory note, or the promissory note includes more than one interest rate for the same borrower, or different individuals co-signed parts of the same promissory note, each loan must be treated as a separate loan even though the loans are on the same promissory note. In this situation, a school should make a certified true copy of the original promissory note (as previously instructed) and include the original promissory note with one loan and the certified true copy with the other loan(s). Attach a clarifying statement with the certified true copy indicating that the original promissory note is attached to one of the borrower's other loans included in the assignment package. (Please specify Federal Perkins, Direct, or Defense). A separate Perkins Assignment Form, along with supporting documentation, must be completed for each note with different provisions.

With the exception of Master Promissory Notes (MPN), any assignment where one promissory note represents two loans for any reason other than that described in the preceding paragraph will not be accepted without the approval of the appropriate Department official (see Information Sources pages 15-17).

If a school is assigning a Perkins Loan promissory note that was signed electronically, your school's most recent audit must verify the extent to which your school's electronic signature authentication process meets the Department of Education's Standards for Electronic Signatures in Electronic Student Loan Transactions. In addition, at the Department's request your school must provide an affidavit or certification regarding the creation and maintenance of the electronic records of the loan or loans assigned to the Department in a form that is admissible in a legal proceeding. Your school may also be required by the Department to provide testimony by an authorized official of the school to ensure the admission of the electronic records of the loan in any legal proceedings. Your school must cooperate with the Department in all activities necessary to enforce the loan.

### **Complete Repayment History**

A copy of the student's loan repayment history (financial profile of the account) must be provided. Such a repayment history includes all payments made, on a payment-by-payment basis, and how individual payments were applied (such as what portion of the payment was applied to principal and what portion was applied to interest, etc.). Each payment history may also include total amounts for each of these areas of payment application. A key to interpret the repayment history may be provided as an attachment to any printout. Such a key will assist in the interpretation of every accounting transaction that appears on the repayment history.

### **Judgment Information (If Applicable)**

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If a school has initiated legal action against a borrower as part of its collection attempt, the loans of that borrower cannot be assigned to the United States until the litigation is completed and a judgment is rendered for the institution and against the borrower or endorser. If the institution chooses to assign the loan immediately, the legal action will need to be withdrawn from the courts.

The Department does not accept assignment of loans for which the institution has obtained a judgment unless the institution transfers the original or a certified true copy of the judgment to the United States with the Perkins Assignment Form.

To make the judgment enforceable by the United States as assignee, some states require the school, as holder of the judgment, to notify the court that rendered the judgment of the assignment. Other states have no such requirement. If unsure of the rules of the state, the school's attorney should contact the office of the court clerk to inquire about any such requirements.

If the state the judgment was entered in does not require that the judgment be assigned through the court, the following sample statement should accompany the judgment in order to affect the transfer:

***Sample Statement:***

*"All rights, title, and interest of the undersigned in this judgment are hereby assigned to the United States of America."*

The school official authorized to release assets must sign this statement. The official's signature on the Institutional Certification page of the Perkins Assignment Form does not suffice for the above statement. Please note that, because the manner in which judgments are assigned varies from state to state, you should always consult your institution's attorney to determine the procedure and language for such a transfer for the jurisdiction in which the judgment was entered.

Any judgment that is included as part of an assignment package must cite its interest rate and expiration date. In many states, judgment interest rates and expiration dates are set by state law and thus may not be contained within the individual judgment. If the interest rate or expiration date does not appear within a judgment submitted by a school as part of its assignment package, the school's attorney or the authorized official assigning the loan must provide this information in a separate signed statement. A copy of such a signed statement must be provided with each account.

*Note:* Prior to reporting judgment data on the Perkins Assignment Form, you should prepare for your records a breakout of principal, interest, etc., from any judgment that combines these amounts, to what it was at the time of the litigation, and then follow these remaining steps:

1. Enter the interest rate as assigned by the court into Item #19 ("Applicable Interest Rate")
2. Enter all payments applied to principal (both before and since the judgment) into Item #29 ("Principal Amount Repaid")

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3. Enter all payments applied to collection costs provided by the judgment into Item #32 ("Collection Costs Repaid")
4. Enter all payments applied to interest (both before the judgment at the interest rate of the note, and since the judgment at the interest rate provided by the judgment) into Item #33 ("Interest Repaid")
5. Enter any litigation or court costs, if awarded by the court, and any amounts awarded by the court that cannot be explained as representing principal, interest, or collection costs, into Item #36 ("Collection Costs/Penalty/Late Charges")
6. Enter any reductions made by the court to the principal or interest sought to Item #29 ("Principal Amount Repaid") or Item #33 ("Interest Repaid"), as applicable.

If, for any reason, the amount of the judgment that the court awarded represents a reduction from the amount sought by the institution, and it is not clear whether that reduction stems from a reduction of principal, interest, or collection costs, etc. THE ACCOUNT MAY NOT BE ASSIGNED. Any account for which Section D ("Loan Information: Financial") does not reconcile with the amount of any submitted judgment less any subsequent payments WILL BE REJECTED.

If the amount of the judgment represents a combination of Perkins loan(s) and other institutional debts, the institution releases its claim on any unpaid institutional debts covered by the judgment when the institution assigns the judgment to the Department.

*Note:* Section 484A (20 USC 1091a) deals with the statute of limitations for student loans and state court judgments on student loans. In 1991, the amendments to the HEA eliminated the previous 7-year time limitation on the collection of student loans regardless of any other statute, regulation or administrative limitation. Thus, under section 484A, if a holder of a loan obtained a judgment on a student loan account, and the judgment expired 10 years ago—despite the expiration of the 10 years, the judgment could still be enforced and collected in the 11<sup>th</sup> year and thereafter.

### **Bankruptcy Information (If Applicable)**

If a school receives notification that a bankruptcy petition has been filed prior to the time the school submits the loan to the Department, the account should not be assigned to the Department. If it is assigned, the account WILL BE REJECTED.

If the court rules in favor of the borrower and discharges the loan, the account then may be eligible to be written off the institution's records as a bankruptcy.

If the court rules against the borrower and the loan is considered nondischargeable, the loan is then eligible for assignment to the Department. All documentation supporting the court decision must be included with the assignment submission. If you are unsure of the type of bankruptcy petition filed or the nondischargeability of the loan, you should consult with your institution's attorney.



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If the institution has received documentation that the bankruptcy petition has been dismissed, the account is eligible for assignment. All dismissal documents must be included with the assignment submission.

If the institution receives a petition for bankruptcy after the Department has accepted the loan for assignment, that notice must be forwarded to the Processing Division, Perkins Loan Assignments in San Francisco (see Information Sources pages 15-17).

If a Chapter 7 bankruptcy notice of discharge is received, and the bankruptcy court entered a judgment granting that relief, the loan has been discharged and the account cannot be assigned.

A discharge in bankruptcy prevents further enforcement of the obligation against the borrower. Any cosigner is still legally responsible for the debt. The institution must perform all due diligence requirements with respect to the cosigner prior to attempting assignment to the Department.

The Department will not accept assignment of an account after an institution receives notice that the debtor has filed a Chapter 13 (Wage-Earner Plan) petition. If the debtor fails to comply with the repayment terms after agreeing with the Chapter 13 plan, the institution must notify the court for further action.

*Note:* See Sec. 674.49 of the Perkins regulations and Volume 6, Chapter 5 (“Perkins Cancellation”) of the Federal Student Aid Handbook for more specific information about bankruptcy.

### **Disbursement Records (If applicable)**

Disbursement records, showing the amount and date of each disbursement of a borrower’s Perkins Loans, may be needed to enforce a Perkins MPN. If your school is liquidating and withdrawing from the Perkins Loan Program or if your school is closing, disbursement records must be included in the assignment package when assigning a loan made using the Perkins MPN.

### **Due Diligence Documentation (If applicable)**

If a school had a cohort default rate below 20% as of June 30 of the second year preceding the year in which the assignment submission is made (for example, June 30, 2007 for a June 30, 2009 submission), documentation of due diligence activities is not required to be submitted. However, a school is required to follow the appropriate due diligence procedures. If a school holds defaulted loans for which mandatory due diligence actions were not performed in a timely manner in prior years, the institution may assign the loan by following the “cure” process for assigning defaulted loans described on page 12.

If a school had a cohort default rate of 20% or higher, the institution must provide the following documentary proof of the additional required due diligence steps on assigned loans:

1. letters attempting contact with the borrower at 90, 150, and 240 days into the grace period;
2. the 30-day notice to the borrower before the first payment due date;
3. overdue notices;

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4. results from skip-tracing or equivalent institutional attempts;
5. final demand notices, and the warning notice of acceleration.

Except in cases where a loan has matured, a copy of the:

6. credit bureau reporting letter;
7. referrals of accounts to and from collection firms or documentation of school/state collection for one year; and,
8. if applicable, litigation documentation, must also be provided.

All of the required steps may be covered in a general procedure statement provided by the third-party servicer that then should be included with each assignment. Please refer to the regulations for further clarification of each requirement.

A school must indicate at the top of each document the due diligence requirements with which it complied. It is also recommended that key phrases, entries, etc. on the documents that demonstrate compliance with the due diligence requirements be highlighted.

For all loans entering default prior to August 14, 1979, proof of institutional due diligence must include the following:

1. a copy of official grace period letter and copy of any overdue notices;
2. evidence of any skip tracing actions undertaken; and
3. litigation documentation (if applicable).

If a borrower has more than one loan being assigned, separate supporting documentation must be included for each loan. To expedite the review process and reduce the number of rejected assignments, the title of each required document in the assignment package (except for the original promissory note and the Perkins Assignment Form) should be included at the top of each document.

If there are items in the assignment submission package that need clarification or justification (for example, the school made a disbursement after the departure date), a written explanation should be included with that loan's documentation. Explanations concerning missing or defective promissory notes, missing or incomplete bankruptcy information, or missing or incomplete judgment information require formal approval by the appropriate Department official. (See Information Sources, pages 15-17)

### **Optional Documentation:**

An institution may, at its option, submit the additional following documentation for any loan submitted for assignment. If submitted, these items will be retained by the Department. Note that in no case will the Department reject a loan for assignment based upon the absence of or incompleteness of any of the optional items. Any of the optional items that are not included in the assignment submission package must be retained by the institution for at least 3 years from the date the loan is assigned, in accordance with 34 CFR 674.19(e).

### **Disbursement Records**

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Disbursement records, showing the amount and date of each disbursement of a borrower's Perkins Loans, may be needed to enforce a Perkins MPN. Disbursement records may be included in the assignment package when assigning a loan made using the Perkins MPN. A school must retain disbursement records for each loan made using an MPN for at least three years from the date the loan is canceled, paid in full, or otherwise satisfied.

*Note:* For schools liquidating and withdrawing from the Perkins Loan Program or if your school is closing, disbursement records are required to be submitted. *See previous, "Required Documentation" section.*

### **Repayment Schedule**

Federal Perkins Loan Program regulations require a school to retain a copy of the borrower's repayment schedule. The repayment schedule should have been calculated on the total amount of the loan and should include the date the first installment payment was due, plus the number, amount, and frequency of each required payment. This schedule may be included in each assignment submission.

### **Acceleration Notice**

Except in the case of total and permanent disability discharges or in the cases of a school closing or liquidating and withdrawing from the Perkins Loan Program, the outstanding balance must have been accelerated, or the loan must have matured (became due-in-full because the entire period for repayment of the loan has elapsed), prior to submitting an account for assignment. By accelerating the loan, the institution demands immediate repayment of the entire unpaid balance (total outstanding principal, accrued interest, and any applicable penalty/late charges or collection costs), even though the entire repayment period has not elapsed. Schools may provide a copy of the acceleration letter or documentation of the maturity date with the assignment.

### **Documentation of Recall**

All loans must be recalled from any outside firms that the school employed for billing, collection, litigation and credit bureau reporting at least 60 days prior to the certification date on the Perkins Assignment Form. This must be done so that no enforcement is still being undertaken by the school on a loan being assigned to the United States. Schools may provide documentation that the loan has been recalled or a copy of the letter from the school requesting such recall.

When withdrawing an account from a credit bureau, a school should ensure that the reporting code requested for entry on the debtor's record is neither positive nor negative. In most cases, a school has the option of either withdrawing an account entirely from a credit bureau or requesting that the credit bureau change its code to indicate that the account is being assigned to the United States. In the latter case, contact your credit bureau to determine which code your institution should use to reflect assignment.

### **Approved Cancellation Documentation**

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Copies of all cancellation requests approved by the school (as listed under Section E of the Perkins Assignment Form) may be provided in the assignment submission package.

### **Mailing Instructions:**

Accounts submitted for assignment are to be mailed to the following address:

U.S. Department of Education  
Perkins Loan (NDSL) Assignment Processing Center  
P. O. Box 4136  
Greenville, Texas 75403-4136

Do not contact this address in writing or by telephone to inquire about the status of assignments or to clarify why assignments are rejected (See Information Sources, pages 15-17).

Assignment submissions should be double-packaged in opaque materials that are approved by the U.S. Postal Service. The "To" and "from" addresses must be included on both the inner and outer packages. And, the package should not identify the sensitivity of the contents.

Delivery of assignment submissions can only be made to the listed post office box. Commercial carriers (such as Federal Express, UPS, etc.) will not be able to deliver to this post office box. Therefore, we suggest that you mail assignments through the U.S. Postal Service, "Return Receipt Requested." Assignments mailed to the Department's Regional Offices or Headquarters Office in Washington, D.C. will be returned to the institution.

### **Assignment Processing:**

A contractor currently located in Greenville, Texas performs the Department's assignment processing steps. This is only a processing center. All inquiries about assignment status or reasons for rejection should be made to the Processing Division, Perkins Loan Assignments, in San Francisco (see Information Sources pages 15-17).

Once the assignment package is received in Greenville, Texas, a manual count of loans is taken and compared to the institution's manifest. If an assignment package manifest is not included, the package is rejected automatically and returned to the institution. If there is a difference between the number of loans included in an assignment package and the number of loans reported on the package manifest, a letter is sent to the institution acknowledging the actual number of loans received and identifying the loans in dispute. Any loans not reported on the manifest are automatically rejected, while the reported loans continue in the review process unless the school asks the Department to discontinue the review due to the discrepancies. If a school requests that the assignment package be returned, a revised manifest must be included with any resubmissions.

The assignments are then reviewed individually. If the due diligence requirements have not been met for accounts for which due diligence documentation must be submitted, or any data elements fail to meet the edit requirements, the assignments are rejected and the entire file is returned to the school by

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certified mail with a correction worksheet stating the reason(s) for rejection. (Refer to Resubmission Procedures on page 14.)

If all established edit criteria are met and the assignments are accepted, the institution will receive a document identified as "Perkins/NDSL Load Database Report." This report provides borrower identification information, school identification information, and outstanding principal and interest. This is the official acceptance notice and should be retained in the school's records.

Acceptance notices are sent to the school's address provided in the school's program participation agreement. The institution should ensure that its mail distribution staff becomes familiar with these notices and the offices to which they should be distributed. It is the school's responsibility to ensure that its loan servicer receives copies of acceptance notices. If a school wishes acceptance notices to be sent to a different address, it must contact the [Department's School Participation Team for the appropriate region](#). For assistance with the program participation agreement, please visit the Department's website at [www.eligcert.ed.gov](http://www.eligcert.ed.gov), or email [IPOS@ed.gov](mailto:IPOS@ed.gov).

### **Cure Process for Assigning Defaulted Loans:**

If a school holds defaulted loans for which mandatory due diligence actions were not performed in a timely manner in prior years, the following "cure" process may enable the institution to assign these loans:

1. The school must locate the borrower. Location is proven by one of the following:

1. Postal receipt signed by the borrower;
2. Documentation of conversation that includes the borrower's current address; or
3. Documentation from an address-search servicer (non-IRS) that includes the borrower's current address.

*Note:* If the institution cannot locate the borrower, evidence of address search attempts will suffice.

2. A school must send the borrower a letter informing the borrower of the loan's default status which must be resolved.

3. A school must send the borrower a copy of the borrower's signed promissory note along with a new repayment schedule to be signed and returned.

4. If there is no response to these communications, a school must initiate collection procedures, including overdue notices, account acceleration, collection agency referral, credit-bureau notification, litigation, and recall.

A school must provide documentation that steps 1 through 4 above have been completed. The school must label this documentation as "Due Diligence Using Cure Process".

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A school must label each completed Perkins Assignment Form "Cure Process Submission" in large print at the top of the form. It should be understood that the cure process is equivalent to reworking the loan and, with the exception of the letters sent during the grace period, does not relieve a school from repeating those due diligence activities it cannot document.

### **Resubmission Procedures:**

If an account is rejected and a school wishes to resubmit that account, corrections can be made directly on the returned Perkins Assignment Form, on a computer-generated facsimile or a photocopy of the Perkins Assignment Form. Corrections should be made using blue or black ink. (DO NOT USE RED INK). Each change must bear the initials of the staff member making the change. Corrections must be clear and legible. Alternatively, a school may prepare a new form. If a new Perkins Assignment Form is prepared, a school should not resubmit the old Perkins Assignment Form.

If the account is resubmitted more than 45 days after its date of return to the school, the certification date and interest due must be changed.

If an account is rejected due to a problem with any of the dates appearing on the Perkins Assignment Form, a school should ensure that all correlating dates are correct before resubmitting the assignment. For example, if a school corrects Item 21 "Date Last Grace Period Ended," the institution should ensure that Item 22 "Date of Default" is still correct.

"Resubmission" must be clearly written on the envelope. An assignment submission package manifest must be included with each resubmission package. The "Corrections Worksheet" that accompanies every rejected assignment submission must be enclosed with each resubmission.

### **Notification to Borrowers of Assigned Loans:**

A school must notify borrowers of the pending assignment of their loan(s) to the Department. Such notification should take place at least 90 days prior to assignment of the loan. Occasionally, this notification results in payments from borrowers who have been unwilling to make payments in the past.

Any payments received by the school or its servicer after the certification date on the Perkins Assignment Form become the property of the Department, unless the Department rejects that account.

Borrowers seeking to make repayment after acceptance by the Department of their assigned loans should be referred to the Department's Customer Service Center cited on pages 15-17 under Information Sources. Do not refer borrowers to the Processing Division in San Francisco.

### **Payments from Borrowers Received after Assignment:**

Payments from a borrower received by a school or its servicer after the borrower's account has been submitted to the Department for assignment and accepted by the Department should be forwarded, as soon as possible, to:

National Payment Center  
P.O. Box 105028 – Perkins Loan (NDSL)

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Atlanta, GA 30348-5028

Each payment submission must clearly identify the borrower's full name, Social Security Number, and the type of loan to which the payment is to be applied.

Once an account is submitted for assignment, it becomes the property of the Department and will only be returned to the institution for deficiencies related to its submission. Therefore, an institution should not contact ED to request the return of a submission because a borrower has made a payment to the institution.

If payments are received on accounts that have been submitted to the Department for assignment, but have not yet been accepted by the Department, the school should deposit the funds immediately and await official notification of acceptance. Upon acceptance of the account, the institution must issue a check to the Department, including the borrower and loan information noted above.

Any collection agency fees that are deducted from payments received after account submission to the Department are the sole responsibility of the institution and may not be charged to the Federal Perkins Program Loan Fund. The entire borrower payment must be forwarded to the Department.

### **Information Sources:**

#### **Perkins Loan Assignment Process and Other Financial Aid**

Questions regarding the assignment process as it pertains to the rest of the student financial aid award process, or questions concerning the management of student loans not assigned to the Department should be directed either in writing or by phone to the School Participation Team serving your region.

#### **Issues with Specific Assignments**

More specific questions pertaining to the procedures for assignment of accounts set forth in this letter, or pertaining to the status of your assignment submissions, or pertaining to the correction of rejected submissions, can be directed to [PerkinsLoanAssignments@ed.gov](mailto:PerkinsLoanAssignments@ed.gov).

Written inquiries should be mailed to:

Federal Student Aid  
U.S. Department of Education  
Operation Services, Processing Division  
Perkins Loan Assignments  
50 Beale Street, Suite 8601  
San Francisco, CA 94105-1813

#### **Assignment Verification**

For assignment verification of accounts submitted more than 60 days previously, please email [PerkinsLoanAssignments@ed.gov](mailto:PerkinsLoanAssignments@ed.gov). In order to verify the submission, the email must include the student(s) name(s) and Social Security Number(s) in an encrypted file.

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All inquiries must include the school's Name and Serial Number.

As previously explained, missing or defective promissory notes, missing or incomplete bankruptcy or missing or incomplete judgment information require formal approval by the appropriate Department official.

Therefore, all such explanations should be prepared in writing, with the following signature block provided:

*Approved/Not Approved*

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*Assignments Specialist*

*Operation Services, Processing Division*

*Perkins Loan Assignments*

All such explanations must reference the specific account(s) affected by the documentation omission or irregular nature. The explanatory letter should be emailed to [PerkinsLoanAssignments@ed.gov](mailto:PerkinsLoanAssignments@ed.gov). A returned, approving email will constitute formal approval. Do not contact the assignments processing center with such inquiries.

### **Closed School Procedures**

Questions concerning closed school procedures should be directed to the appropriate School Participation Team.

### **Discrepancies Between School Data and Department Data**

The Processing Division, Perkins Loan Assignments, should be contacted to resolve any discrepancies between institutional records and those of the Department pertaining to accounts that have already been assigned to the Department and accepted. This includes corrections to acceptance notices, bankruptcy notices, and any other general information on accepted accounts that an institution wishes to forward.

### **Fiscal Operations Report and Application to Participate (FISAP)**

For questions about the FISAP form, contact the Campus-Based Call Center at (877) 801-7168, or by email at [CBFOB@ed.gov](mailto:CBFOB@ed.gov).

### **Perkins Loan Program Liquidation**

For questions about Perkins Loan Program Liquidation, contact the Campus-Based Call Center at (877) 801-7168.

### **Repayment of Loans After Assignment**

Borrowers wishing to satisfy their debts once their loans have been accepted for assignment should contact the Department's Customer Service Center.



## FEDERAL PERKINS LOANS ASSIGNMENT PROCEDURES

Institutions wishing to confirm paid-in-full status for borrowers requesting transcripts should contact the Department's Customer Service Center.

The contact information for the Department's Customer Service Center is:

U.S. Department of Education  
P.O. Box 5609  
Greenville, TX 75403-5609

Tel.: (800) 621-3115

### **Total and Permanent Disability Assignments**

All Total and Permanent Disability assignments should be sent to:

Nelnet Total and Permanent Disability Servicer  
3015 South Parker Road, Suite 400  
Aurora, CO 80014

For detailed information about Total and Permanent Disability assignments for Perkins Loans, schools should refer to the [September 10, 2010 Electronic Announcement](#) Subject: Total and Permanent Disability Discharge Information - Perkins Assignment Procedures Effective October 1, 2010 (Updated May 27, 2011)