



Federal Perkins Student Loan Program

Statement of Rights and Responsibilities

This loan is a serious financial obligation entailing legalities stipulated within the promissory note. The promissory note is a legally binding contract and is evidence you have received a loan. Extreme caution should be exercised in the application and request of this loan and therefore, it is important that you understand your rights as well as your responsibilities. When you, the student borrower, sign this statement, it means and implies that you fully and clearly comprehend these rights and responsibilities and as such agree to honor them.

I fully and completely understand that I must, without exception, report any of the following changes and/or information to:

The University of Michigan
Student Loans and Collections Office
6061 Wolverine Tower, 3003 South State Street
Ann Arbor, MI 48109-1287
Phone: 1-800-456-0706 or 734-764-9281

- If I withdraw, am dropped, or transfer from The University of Michigan.
- If I drop my academic credits below half-time status.
- Any local or permanent address changes.
- If my name and/or Social Security Number changes.
- If I become eligible for a deferment or cancellation as described below.
- If I become ineligible for a deferment and/or cancellation that has been granted.

I understand that the maximum amount of Federal Perkins and National Direct Student Loans an eligible student may borrow is \$4,000 annually for an undergraduate student and \$6,000 for a graduate or professional student. The aggregate unpaid principal amount of all Federal Perkins and National Direct Student loans received by an eligible student may not exceed \$20,000 for a student who has successfully completed two years of a program leading to a bachelor's degree but who has not received the degree; \$40,000 for a graduate or professional student, and \$8,000 for any other student.

I understand that when I graduate, I must complete an "exit interview" with the Student Loans and Collections Office through the website or alternative format if preferred. If I transfer, withdraw, or reduce my academic credits below half-time status, arrangements for an exit interview must be made with the Student Loans and Collections Office.

I understand that my loan reports monthly to the national credit bureaus from the time of disbursement. Failure to make payments as scheduled, or file forms in a timely manner to defer payments, may result in negative reporting to the credit bureaus.

I understand that I am responsible to repay my loan according to schedule even if I do not complete my degree or I am dissatisfied with my academic experience. Statements are provided by the University of Michigan's billing service. Failure to receive a statement does not exempt me from payment.

Continued on back

I understand that scheduled repayment may be deferred if I submit timely proof (Deferment of Repayment forms obtainable from the Student Loans and Collections Office) of my inability to find full-time employment, suffering an economic hardship, engaging in a service described in the Cancellations section of your promissory note, being at least a half-time student, pursuing a course of study in an approved graduate fellowship program, graduate/post graduate fellowship program outside the United States, or rehabilitation training program.

I understand the Student Loans and Collections Office of the University of Michigan must grant me forbearance for hardship, renewable at twelve (12) month intervals for a period not to exceed three (3) years, if my annual Title IV loan repayment obligation equals or exceeds twenty (20) percent of my gross income. I understand I may otherwise qualify for a forbearance, as determined by the Student Loans and Collections Office.

I understand that upon submission of written proof of permanent 100% disability, my loan will be assigned to the United States Department of Education if the, disability discharge claim is approved by the Student Loans and Collections Office. The United States Department of Education will discharge the total amount owed on this loan if it determines that I am eligible for a total and permanent disability discharge. My death also cancels the loan (acceptable proof is a certified original death certificate).

I understand that partial and/or full cancellation of my loan is possible provided that I am a full-time special education teacher, full-time teacher of any field of expertise that is determined by the state education agency to have a shortage of qualified teachers, a full-time nurse or medical technician, full-time employee of a child or family service agency for high-risk children (under 21) and their families from low-income communities, a full-time teacher for a school that has a high number of students from low-income families, full-time staff member of the Head Start Program, full-time teacher with the Bureau of Indian Affairs, full-time law enforcement or corrections officer.

I understand that I must acknowledge and answer promptly any communication from the Student Loans and Collections Office concerning my loan.

I understand that it is my responsibility to keep records of my loan until the debt has been paid in full.

I understand I may prepay my loan at any time without penalty or premium. (It is suggested that you contact the Student Loans and Collections Office for the exact payoff amount).

I understand that student loans are not dischargeable in bankruptcy unless I am able to prove undue hardship in a court of law.

I understand the University of Michigan and any collection agency or legal counsel under its direction can contact any school that I may attend or have attended to obtain information concerning my student status, my year of matriculation, my classification, my dates of attendance, graduation or withdrawal, my transfer to another school and the name of that school, any my current address.

I understand that there is no statute of limitations on federal loans.

I also understand and agree to authorize the University of Michigan to take whatever collection and/or legal action necessary to secure repayment of my loan, including charging reasonable collection costs, thereby showing "due diligence" in collecting.

For future reference, keep this form in your personal financial aid file.