

The Federal Perkins Loan, Federal Supplemental Educational Opportunity Grant (FSEOG), and Federal Work-Study programs are called “campus-based” programs because each school is responsible for administering them on its own campus. This Volume gives guidance on issues specific to the administration of the Campus Based Programs.

FEDERAL PERKINS LOAN PROGRAM

The Federal Perkins Loan Program includes Federal Perkins Loans, National Direct Student Loans (NDSLs), and National Defense Student Loans (Defense Loans). No new Defense Loans were made after July 1, 1972, but a few are still in repayment. Perkins Loans and NDSLs are low interest (currently 5%), long-term loans made through school financial aid offices to help needy undergraduate and graduate students pay for postsecondary education.

FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM

The purpose of the Federal Supplemental Educational Opportunity Grant Program is to encourage schools to provide grants to exceptionally needy undergraduate students to help pay for postsecondary education. This provision is in Section 413C(c)(2) of the Higher Education Act of 1965, as amended. Giving priority to applicants with exceptional financial need, schools selecting Federal Supplemental Educational Opportunity Grant recipients must use the selection criteria discussed in Chapter 2 of this volume.

FEDERAL WORK STUDY PROGRAM

Through the Federal Work Study Program, undergraduate and graduate students work part time to help pay for the cost of their education. Schools must use 7% of their FWS Program funds to compensate students employed in community service jobs.

RECENT CHANGES

Organization Changes

For 2004-2005, the Campus Based Volumes of the FSA Handbook have been consolidated into one unified Campus Based

Programs Volume. The new chapters consolidate some repetitive discussions, and gather guidance on issues common to several programs into central, easy to find locations.

Chapter 1 of the new Volume 6, Campus Based Programs, covers fiscal procedures and administrative requirements such as the FISAP, allocation and transfer of funds, federal/nonfederal share, and recordkeeping.

Chapter 2 discusses the operation of FWS programs, including community service jobs, Job Location and Development programs, and Work Colleges.

Chapter 3 covers making Perkins loans, in particular disclosures to students, the new Master Promissory Note, and a Q&A section on the MPN.

Chapter 4 discusses what happens after a Perkins loan is made. Repayment, Forbearance, Deferment, and Cancellation are covered in detail.

Chapter 5 covers procedures for Perkins loan collection and default.

For more information about where to find Campus Based sections, see the introductory text at the beginning of each chapter of this volume.

Guidance Changes/Updates

All chapters referenced are chapters in the current 2004-2005 FSA Handbook, Volume 6, Campus Based Programs.

Chapter 1: Updated loan documentation recordkeeping guidance. When a loan is assigned to the Department due to total and permanent disability, the school must retain related documentation that it does not submit until the Department approves a final discharge or the loan is paid in full. Clarified guidance on the limitations on carrying back FSEOG funds for summer use.

Chapter 3: Clarified guidance on aggregate loan limits. All borrowing, including graduate level borrowing, counts against the undergraduate aggregate limit of \$20,000. Master MPN guidance/FAQs added.

Chapter 4: Action Program replaced with the Americorps*VISTA Program. Amended regulation citation for previous Perkins disability cancellation.