



THE FEDERAL PERKINS LOAN PROGRAM CURRENT STATUS

First and foremost - The fate of the Perkins Program has not yet been determined and can only be determined by Congress.

As you are aware, the Department of Education issued a Dear Colleague Letter GEN 15-03 (<http://ifap.ed.gov/dpclatters/GEN1503.html>) dated January 30, 2015, titled "Wind-down of the Federal Perkins Loan Program". While this letter provided some clarification regarding disbursements and the Perkins grandfathering provisions, it has also led to some erroneous information regarding the current status of the loan program.

Here are the facts:

Every program within the Higher Education Act (HEA), including Perkins, expires on September 30, 2015 unless Congress acts before then to extend the expiration date.

There are two scenarios for extending the HEA:

- First, Congress could reauthorize HEA prior to September 30, 2015 with two possible outcomes:
 - 1) The Perkins program is included - in which case institutions can either continue to disburse Perkins loans as usual or under any new conditions included during reauthorization.
 - 2) The Perkins program is eliminated - in which case institutions could, with certain restrictions, award Perkins loans under the grandfather clause for another 5 years. The Education Department can only begin the wind-down process if Congress officially terminates the program and not before such time.
- Second, Congress could pass a stand-alone bill to simply extend the expiration date for all programs within the HEA with two possible outcomes:
 - 1) The Perkins program is included - in which case the terms of the grandfathering language will likely be expanded to include students awarded in 2015-16.
 - 2) The Perkins program is excluded - in which case ED will begin the wind-down process working with organizations such as COHEAO for input.

Again, these scenarios require Congressional action and no definitive timeframe been published. COHEAO continues to advocate on behalf of the colleges and universities that support the continuation of the Program while actively monitoring the situation and working with Congressional Members and their staffs.

For more information, or to join in the nationwide efforts to save the Perkins Program, please visit COHEAO.org.

