

IMPORTANT NOTICE TO ALL DELINQUENT FEDERAL PERKINS LOAN BORROWERS

LOAN REHABILITATION INFORMATION

The United States department of Education has amended its regulations governing the Perkins Loan Program, formerly called the National Direct/Defense Student Loan Program (NDSL), to provide opportunity for rehabilitation of defaulted loans. The amendment becomes effective on July 1, 2000. It provides that a defaulted loan may be rehabilitated if the borrower: (a) makes an on-time, monthly payment, as determined by the institution, each month for twelve consecutive months, and (b) requests to rehabilitate the loan.

The benefits of loan rehabilitation include:

- Request will be sent to credit bureau to remove default from credit history
- Loan is returned to regular repayment status
- Borrower regains balance of benefits and privileges of promissory note as applied prior to default
- Borrower re-establishes Title IV student financial assistance eligibility

How to apply:

- Borrowers must request loan rehabilitation
- Call or send written request
- A loan Rehabilitation Agreement must be negotiated, approved and executed before the loan can be rehabilitated

A loan may be rehabilitated only one time. If one monthly payment is not remitted or is late, the rehabilitation process terminates, and the loan goes back to the status as before the pay plan. If you have questions about this program, please contact the Central Washington University's Student Loan Office at (509) 963-3546.