

Perkins Total and Permanent Disability Discharge Assignment Procedures

Attachment to September 2010 Electronic Announcement (Updated May 2011)

1. General Information

Schools may assign loans for discharge due to total and permanent disability (TPD) to the Department of Education (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 loans for discharge due to total and permanent disability will not affect the calculation of the school's Perkins Loan cohort default rate.

Your school may not assign a loan with a zero (0.00) balance.

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. See **APPENDIX I – Federal Perkins Loan Assignment Form**. A photocopy or computer facsimile of the form is acceptable.

The Perkins School must assign loans to the Department *immediately* upon determining the discharge application supports the conclusion that the borrower is totally and permanently disabled.

If the borrower has applied for TPD Discharge under the special qualifications for veterans, the school must *refer*, not assign, the *application* to the Department. See **APPENDIX III – Veterans Disability Discharge**.

2. Credit Bureau and NSLDS Reporting

As instructed in the Electronic Announcement posted to ifap.ed.gov on July 5, 2006 (<http://www.ifap.ed.gov/eannouncements/0705CDDCCreditBureau.html>), schools should report to credit bureaus as follows:

Non-defaulted loan held by the School – The school reports Status Code “05” and the Payment Rating that is consistent with the current or delinquent status of the account on the date a school submits a disability assignment to the Department (i.e., 0, 1, 2, 3, 4, 5 or 6). Status Code 05 is defined as “Account transferred to another office” and the Payment Rating indicates that the payment for this month was current or delinquent.

No further reporting by the school would be required, as Status Code 05 is a final status. Since the Department will be responsible for the loan after assignment, it is not necessary to require further reporting by the school.

A Payment History Profile Grid that represents the accurate account history that should be retained

for the account.

Defaulted loan (previously reported by the school as Status Code 93 – Collection)- The school reports Status Code “05”, Payment Rating “G” and Special Comment Code “AL.” Status Code 05 is defined as “Account transferred to another office.” Payment Rating G indicates that the account was a Collection prior to the transfer, and Special Comment Code AL indicates “Student loan – permanently assigned to government.”

All collection history already reported would be retained for historical credit reporting purposes.

No further reporting by the school would be required, as Status Code 05 is a final status. Since the Department will be responsible for the loan after assignment, it is not necessary to require further reporting by the school.

Before assigning the loan to the Department, the school must update the NSLDS record for the loan, using Loan Status Code “AE”, to reflect the assignment. In reporting the assignment to NSLDS, the school must report to NSLDS the same date for the “Date of Loan Status” that the school reports as the “Certification Date” on ED Form 553.

As with the current assignment process, when a school assigns a loan to the Department, the school reports to NSLDS a code number for the entity that will receive the loan. The Nelnet TPD Servicer NSLDS identification information is as follows:

<i>Servicer Name</i>	<i>NSLDS Name</i>	<i>ED Servicer Code</i>
Nelnet Total and Permanent Disability Servicer	DEPT OF ED/TPD	582

Note: If a school refers, rather than assigns, a borrower’s loan to the Department, the school is responsible for credit bureau and NSLDS reporting until the Department discharges the loan.

3. Submission Documentation

Submission Package Manifest

Each assignment submission package must include a manifest. See **APPENDIX II - Manifest Instructions**.

4. Perkins Assignment Form

The approved Federal Perkins Loan Program/NDSL Assignment Form (OMB Number 1845-0048, expiration date 8/31/2012) must be used for assignment submissions. See **APPENDIX I – Federal Perkins Loan Assignment Form**. 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 a school 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.

The loan period for a Perkins/NDSL loan may not exceed one year. If a borrower attends a school for more than one academic year, and receives a Perkins/NDSL loan for each of those years, the borrower has received a separate Perkins/NDSL loan for each year of attendance. Separate loans may only be bundled together into one account for assignment if they have been reported to 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.

- Complete the Borrower and Loan Information page of the Perkins Assignment Form for each loan,
- Package all loans for that borrower together, and
- Include a clarifying statement explaining the loan combination.

The school should e-mail a copy of the assignment manifest and institutional certification form to the TPD Servicer in a password-protected .zip file (and provide the password in a separate e-mail) at disabilityinformation@nelnet.net. The copy can be in .pdf or MS Word compatible formats (.doc, .docx, .rtf, .txt...etc).

5. Discharge Application: Total and Permanent Disability

All assignments and referrals must be accompanied by the original or a copy of the Discharge Application: Total and Permanent Disability (TPD discharge application). The TPD discharge application can be found in Appendix IV. The copy of the original TPD discharge application must be legible.

Note: Schools have been previously advised that borrowers must submit their Applications for Total and Permanent Disability (Application) with the original signature of the borrower, not a photocopy or other facsimile. The Department has determined that borrowers may provide the school with a photocopy signature and process the application with the photocopy signature and no longer need to provide an original signature on the Application.

If the physician signature date is altered in any way, the alteration must be initialed by the physician.

If the application is signed by a representative on behalf of the borrower, the Department recommends that the loan holder gather documentation of the representation to facilitate exchange of information with the borrower's physician and the representative.

The Department will include in its review any medical documentation from physicians other than the physician who signed the TPD discharge application. Please attach such supplemental medical documentation to the application.

Receipt Date

All assignments must have a receipt date stamped on the TPD discharge application, or there must be attached documentation of the receipt date.

Schools must attach documentation of the receipt date if there is no receipt date stamped on the application. The attached documentation will clarify the receipt date to be used. This attached documentation must contain the following information:

1. Borrower's name
2. Borrower's SSN
3. School's name
4. Receipt date

If there are multiple receipt date stamps on an application, and no attached documentation to clarify the correct receipt date, the Department will use the earliest date stamp.

The Department will reject an application if the receipt date (school's receipt date of the application) is greater than 95 days from the physician's signature date. (Regulations allow the borrower to submit the application up to 90 days after the physician's signature date. The Department allows 5 days for mailing time.) If the application is incomplete or the school needs to clarify the physician's medical diagnosis, resulting in the school returning the application to the borrower or physician, the school may use the original submittal date of the application in determining the timeliness of the borrower's disability application.

A school may store the records necessary to document the validity of an assignment, including the original receipt date of the TPD discharge application in hard copy, in an imaged media format, computer file, or other media formats in accordance with 34 CFR 674.19(e).

6. 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 Loan 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. However, schools are required to maintain disbursement records 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 affirmative legal judgment with the appropriate transfer statement (see additional information on judgments below). 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. Please send a password-protected .zip file (and provide the password in a separate e-mail) to Amy Louie at amy.louie@ed.gov for approval requests. 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.

For defaulted loans, Perkins schools must retain and maintain the following documents, relating to the cohort default rate appeal process: documentation of the date the loan entered repayment;

collection documentation; and payment histories (prior to default). Perkins schools do not have to include these documents in the hard copy files submitted to the Department. Perkins schools, however, must be able to readily furnish copies of these documents, if requested by the Department or, within the established deadlines, if requested by a school appealing its cohort default rate.

7. Payment Information

Schools must inform the Department of the amount of any payments received after the date the physician signed the application. If the Department receives an assignment and there is no payment information attached, the Department will assume that no payments were received.

All payment information should include payments from any source. The format for the payment listing/lump sum payment information is as follows:

1. Provide the borrower's name on all pages with payment information. Provide the borrower's SSN (or partial SSN) on at least the first page.
2. Loan holder's name
3. Date of printout or submission of the payment list
If you provide a payment listing, provide an itemized list of the amounts of payments with their effective dates and the total amount of the list of payments. (Do not include non-payment transactions such as payment applications to principal and interest, fee applications, etc.)
4. If the payment information you provide includes any payment(s) that you refunded to the borrower, you should indicate the payment amount(s) and effective date(s) of the refund.

8. Assignment Review Process

Pre-Medical Review

The pre-medical review checks that:

1. The TPD Discharge Application is complete;
2. There are no new Title IV loans after the date of the physician signature; and
3. The physician's license is valid.

System Edits

All debts will then go through the final check, known as the system edits or the load edits.

The Department accepts assignment of those debts that pass the pre-medical review, and the system/load edits. Those debts are entered into the Department's TPD System. The Department rejects assignment of those debts that fail the pre-medical review or the system/load edits.

TPD Accept and Reject Report

The Perkins school will receive, via e-mail in a password-protected .zip file, a TPD Accept and Reject Report indicating the loans that have been accepted for assignment, and the loans that have been rejected for assignment, containing a code(s) indicating the reason(s) the loan was rejected.

This is the official acceptance notice and should be retained in the school's records. It is the school's responsibility to ensure that its loan servicer receives copies of such acceptance notices.

File Return

The school will receive the file folders of all rejected debts (one folder per SSN), by mail. The file folders will have a cover sheet indicating the reason(s) for the rejection. If you have not already done so, please contact the TPD Servicer to confirm a physical address where hard copy documents can be mailed to via overnight or private courier service.

9. Judgment Information (If Applicable)

If a school has initiated legal action against a borrower as part of its collection attempt, the school may still assign the loans to the United States (the Department) for discharge due to total and permanent disability. The school must transfer the original or 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")
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, according to 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 11th year and thereafter.

10. 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 school may still assign the account to the Department. Perkins schools should send all bankruptcy and litigation documents that are received on an account to the TPD Servicer with the assignment form. Address and contact information is as follows:

Send bankruptcy and litigation documents via overnight or private courier to:

U.S. Department of Education
3015 South Parker Road, Suite 400
Attn: TPD Servicing
Aurora, CO 80014

E-mail Address: disabilityinformation@nelnet.net

Telephone: 888/303-7818 from 8:00 am to 8:00 pm eastern time, Monday through Friday. If the borrower is hearing-impaired, he or she may web chat with a representative by visiting www.disabilitydischarge.com and clicking "Chat Now".

Fax: 303-696-5669

Schools should fax time-sensitive documents, call the TPD Servicer to notify of the fax, and mail the original documents to the address above.

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 may be assigned to the Department, if that has not occurred at an earlier point in time. 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. 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 TPD Servicer. 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 cosigner may qualify for discharge due to total and permanent disability. The Perkins school may refer the loan to the Department due to total and permanent disability of the cosigner even if the borrower's obligation has been discharged through bankruptcy.

11. 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

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.

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.

Complete Repayment History

A copy of the student's loan repayment history (financial profile of the account) may 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 also be provided and attached to any printout. Such a key will assist in the interpretation of every accounting transaction that appears on the repayment history.

Acceleration Notice

If the outstanding balance was accelerated or matured prior to the school receiving the TPD discharge application, schools may provide a copy of the acceleration letter or documentation of the maturity date with the assignment. (Schools may not accelerate a loan and the loan may not mature after the school receives the TPD discharge application, unless the school determines that the application does not support the conclusion that the borrower is totally and permanently disabled.)

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. For credit bureau reporting instructions, see **Credit Bureau and NSLDS Reporting**.

Approved Cancellation Documentation (Optional)

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. If a school chooses not to submit cancellation documentation on an assigned loan, Section E of the Perkins Assignment form **MUST** be completed.

12. Multiple Loans

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.

13. Missing or Defective 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. Please send a password-protected .zip file (and provide the password in a separate e-mail) to Amy Louie at amy.louie@ed.gov for approval requests.

14. Mailing Instructions:

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

Send assignments via overnight or private courier to:

U.S. Department of Education
3015 South Parker Road, Suite 400
Attn: TPD Servicing
Aurora, CO 80014

E-mail Address: disabilityinformation@nelnet.net

Telephone: 888/303-7818 from 8:00 am to 8:00 pm eastern time, Monday through Friday. If the borrower is hearing-impaired, he or she may web chat with a representative by visiting www.disabilitydischarge.com and clicking "Chat Now".

Fax: 303-696-5669

Due to a history of damaged/ripped packages shipped via private carriers and the US Mail, Federal Student Aid has developed additional safeguards related to data exchanged between FSA and our data exchange partners. The new requirements for packaging TPD-related documents bring TPD packaging standards in line with Federal Student Aid's established policies on mailing Personally Identifiable Information (PII)."

Schools must double package all sensitive documents in opaque materials that are approved by the shipping agent of the school (DHL, FedEx, UPS, USPS, etc.). Both the "TO" and "FROM" addresses must be included on both the inner and outer packages. Shipping agents must have the capability of tracking the shipment's status and must require signatures upon receipt. The package should not identify the sensitivity of the contents.

15. 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.

The resubmission package must include all the documentation (TPD discharge application, supporting documentation, and, if applicable, payment information) originally submitted.

An assignment submission package manifest must be included with each resubmission package.

As for original submission, the school should e-mail a copy of the assignment manifest and institutional certification form to the TPD Servicer in a password-protected .zip file (and provide the password in a separate e-mail) at disabilityinformation@nelnet.net. The copy can be in .pdf or MS Word compatible formats (.doc, .docx, .rtf, .txt...etc).

16. Notification to Borrowers of Assigned Loans

The Perkins school must notify the borrower that the school has made a determination that the borrower appears to be totally and permanently disabled and that the loan will be assigned to the Department of Education. The loan holder's notification to the borrower should explain the procedures for reviewing disability discharge requests and inform the borrower that the Department reserves the right to require the borrower to submit additional medical evidence to conclusively prove that the borrower is totally and permanently disabled and to arrange for an additional review of the borrower's condition by an independent physician at no cost to the borrower. The notification should also inform the borrower that if the Department approves the borrower's request for discharge, the Department will be requesting information on the borrower's earnings from employment [34 CFR Section 674.61(b)(2)].

Borrowers seeking to make repayment after acceptance by the Department of their assigned loans should be referred to the Department's TPD Servicer.

17. Payments from Borrowers Received after Assignment

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

Department of Education
P.O. Box 740283
Atlanta, GA 30374-0283

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, a school should not contact the Department 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 school 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 school and may not be charged to the Federal Perkins Program Loan Fund. The entire borrower payment must be forwarded to the Department.

If the check has already been cashed and the Perkins school needs to send the funds electronically, the Perkins school should send funds via ACH to Nelnet- Department of Education Servicer is

provided below. All funds sent via ACH should have corresponding detail provided to Nelnet via e-mail to the following e-mail address: loanacctinventory@nelnet.net.

**REMITTANCE INSTRUCTIONS
TO REMITTANCE EXPRESS FOR
NELNET**

REMITTER INSTRUCTS BANK TO SEND PAYMENT VIA ACH

COMPANY NAME	NAME of REMITTER
COMPANY ID	TAX ID
COMPANY ENTRY DESCRIPTION	PURCHASE OF STUDENT LOANS
SETTLEMENT (ACTUAL PAYMENT DATE	DATE
RECEIVING COMPANY ABA	051036706
ACCOUNT NUMBER	540039
AMOUNT	SUPPLIED BY REMITTER
INDIVIDUAL IDENT NUMBER	for example - DEAL #
INDIVIDUAL NAME	EDUCATE ALC 91020010

18. Litigation and Judgments

The Perkins school must suspend collection activities after receiving a borrower's certified total and permanent disability discharge request. The Perkins school should suspend routine collection activities and should not take steps to initiate litigation for the period during which the Perkins school is reviewing the borrower's disability discharge request.

We agree, however, that if certain collection activities are in place when a borrower applies for a total and permanent disability discharge, it would be administratively burdensome and costly to require the Perkins school to cease those collection activities only to restart them if the borrower does not qualify for the discharge. In cases where a judgment against the borrower has already been obtained, the Perkins school is not required to suspend enforcement of the judgment or vacate the judgment during the review period. The judgment should be transferred to the Department when the loan is assigned.

19. Return of Involuntary Payments

If you receive an involuntary payment on an account after assignment to ED, you may return the payment *if* you determine that the involuntary payment resulted from your school's processing error.

20. 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 (for example, validity of certain types of promissory notes) should be directed either in writing or by phone to the Department's TPD Servicer at:

U.S. Department of Education
P.O. Box 173904
Denver, CO 80217-3904

Telephone: 888/303-7818 *Note:* If the borrower is hearing-impaired, he or she may web chat with a representative by visiting www.disabilitydischarge.com and clicking "Chat Now".

E-mail: disabilityinformation@nelnet.net

21. Discrepancies Between School Data and Department Data

The school should contact the TPD Servicer 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.

22. FISAP

If the Perkins School makes a determination that the discharge application supports the conclusion that the borrower is totally and permanently disabled, it must assign the loan to the Department and report the assignment, and any associated refunds, as instructed on the "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 e-mail at CBFOB@ed.gov.

23. Perkins Loan Program Liquidation

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

24. Repayment of Loans After Assignment

Borrowers wishing to satisfy their debts once their loans have been accepted for assignment should also contact the Department's TPD Servicer.

Institutions wishing to confirm discharge status for borrowers requesting transcripts should contact the Department's TPD Servicer. The contact information for the Department's TPD Servicer is:

Telephone: 888/303-7818 *Note:* If the borrower is hearing-impaired, he or she may web chat with a representative by visiting www.disabilitydischarge.com and clicking “Chat Now”.

E-mail: disabilityinformation@nelnet.net