

Loan Definition

New reporting requirements have been implemented for the reporting Federal Perkins Loans to the National Student Loan Data System (NSLDS).

Beginning July 1, 2008, all data providers must report each separate award year Perkins Loan, not bundled with loans from other award years. NSLDS will accept award year limits as determined by Federal Regulations CFR § 674.12 (e.g., \$4,000 per year for undergraduates and \$6,000 per year for graduate students except in cases of loans for students in a study abroad program). Data providers should report the student's academic or grade level at the time of the first disbursement of the loan for that award year.

For disbursements made on or after July 1, 1993, but before July 1, 2008, schools could include all disbursements that were advanced to the borrower under the same promissory note and under the same borrower terms and conditions. And, schools would continue to report subsequent disbursements on that same loan until the terms and conditions of the Federal Perkins Loan Program change.

For disbursements made before July 1, 1993, the requirement to report loans according to the same borrower terms and conditions under the same promissory note were relaxed, as follows:

First, for disbursements made before July 23, 1992, schools may report all disbursements made under the same promissory note even if the exact terms and conditions are not the same (e.g., as the law enforcement cancellation provision that became effective for loans made on or after November 29, 1990). Schools may report each loan as it is recorded in the school or servicer system. The school has the option of reporting loans individually (unbundled) or rolled up into a single loan. This enables schools to report the loan as it is maintained in its (or its servicer's) system. There is no need to change how schools are processing or maintaining loans for purposes of reporting to NSLDS. Once updating begins, however, a school cannot change how it reports a loan (e.g., unbundle a loan that was originally reported rolled up and reported as one loan). However, if the school reports to NSLDS disbursements with different terms and conditions rolled up into a single loan, the school must:

- Continue to service these loans in a way that allows the school to provide deferment and/or cancellation benefits to a borrower who is otherwise eligible.
- If a portion of the loan goes into a deferment status, report the entire loan in the deferred status ("DA"). This is necessary because there is only one loan status code for each loan in NSLDS. Any repayments or cancellations made on the loan will be reported to NSLDS as reductions in the outstanding balance and the loan status remains "DA". If a cancellation was made, you would also report the amount, date, and type of cancellation.

Second, for disbursements made on or after July 23, 1992, but before July 1, 1993, report all disbursements made during this period as a single loan.

As terms and conditions of loans change, institutions are required to report separate loans to NSLDS even if the Department allows the disbursements to be made under the same promissory note.