

PART 674--FEDERAL PERKINS LOAN PROGRAM

Appendix E--Examples for Computing Maximum Penalty Charges (6 Months Unpaid Overdue Payments) on Direct Loans Made for Periods of Enrollment Before January 1, 1986

Note.--In the below table of examples, the Cumulative Maximum Subtotal line contains the maximum penalty charges that can be assessed on an NDSL borrower for any given installment that was missed on its due date. For example, if three borrowers, all on different repayment schedules, owed and missed their first installment payment on January 2 and all three made their next payment on April 10, the maximum penalty charges that could be assessed each individual borrower would be as follows: \$16 to the monthly repayment schedule borrower; \$9 to the bimonthly repayment schedule borrower; and \$18 to the quarterly repayment schedule borrower.

Monthly repayment schedule	Installment due date--Missed payments						Separate monthly maximum penalty charges
	Jan. 2	Feb. 2	Mar. 2	Apr. 2	May 2	June 2	
1st Past due installment	\$1	.....	.....	.....	.....	.....	\$1
2nd Past due installment	.....	\$1+\$2	.....	.....	.....	.....	3
3rd Past due installment	.....	.....	\$3+\$2	.....	.....	.....	5
4th Past due installment	.....	.....	.....	\$5+\$2	.....	.....	7
5th Past due installment	.....	.....	.....	.....	\$7+\$2	.....	9
6th Past due installment	.....	.....	.....	.....	.....	\$9+\$2	11
Cumulative maximum subtotals	1	4	9	16	25	36	.....

Bimonthly repayment schedule	Installment due dates--Missed payments			Separate bimonthly maximum penalty charges
	Jan. 2	Mar. 2	May 2	
1st Past due installment	\$3	.....	.....	\$3
2nd Past due installment	.....	\$3+\$3	.....	6
3rd Past due installment	.....	.....	\$6+\$3	9
Cumulative maximum subtotals	3	9	18	.....

Quarterly repayment schedule	Installment due dates--Missed payments		Separate quarterly maximum penalty charges
	Jan. 2	Apr. 2	
1st Past due installment	\$6	.....	\$6
2nd Past due installment	.....	\$6+\$6	12
Cumulative maximum subtotals	6	18	.....