

*The Federal Perkins Loan, Federal Supplemental Educational Opportunity Grant (FSEOG), and Federal Work-Study (FWS) programs are called “campus-based” programs because each school is responsible for administering them on its own campus. This volume gives guidance on issues specific to the administration of the campus-based programs.*

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## FEDERAL PERKINS LOAN PROGRAM

The Federal Perkins Loan Program includes Federal Perkins Loans, National Direct Student Loans (NDSLs), and National Defense Student Loans (Defense Loans). No new Defense Loans were made after July 1, 1972, but a few are still in repayment. Perkins Loans and NDSLs are low interest (currently 5%), long-term loans made through school financial aid offices to help needy undergraduate and graduate students pay for postsecondary education.

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## Recent budget reconciliation legislation

Guidance implementing the recent legislation pertaining to Title IV programs in the budget reconciliation act is not contained in the 2006-2007 FSA Handbook. The Department is working on guidance which will be released as soon as possible.

## FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM

The purpose of the Federal Supplemental Educational Opportunity Grant (FSEOG) Program is to encourage schools to provide grants to exceptionally needy undergraduate students to help pay for postsecondary education. This provision is in Section 413C(c)(2) of the Higher Education Act of 1965, as amended. Giving priority to applicants with exceptional financial need, schools selecting FSEOG recipients must use the selection criteria discussed in Volume 3, chapter 5.

## FEDERAL WORK-STUDY PROGRAM (FWS)

Through the FWS Program, undergraduate and graduate students work part time to help pay for the cost of their education. Schools must use 7% of their FWS Program funds to compensate students employed in community service jobs.

## RECENT CHANGES

### *Organization Changes*

For 2006-2007, the campus-based volumes of the FSA Handbook retain the process-centric organization that was first introduced in

the 2004-2005 FSA Handbook. This includes a unification of the campus-based programs volumes of 2003-2004 and previous years.

Chapter 1 of Volume 6 covers fiscal procedures and administrative requirements such as the FISAP, allocation and transfer of funds, federal/nonfederal share, and recordkeeping.

Chapter 2 discusses the operation of FWS programs, including community service jobs, Job Location and Development programs, and Work Colleges.

Chapter 3 covers making Perkins loans, in particular disclosures to students, the new Master Promissory Note, and a Q&A section on the Master Promissory Note.

Chapter 4 discusses what happens after a Perkins loan is made. Repayment, forbearance, deferment, and cancellation are covered in detail.

Chapter 5 covers procedures for Perkins loan collection and default.

For more information about where to find campus-based sections, see the introductory text at the beginning of each chapter of this volume.

### *Guidance Changes/Updates*

- p. 6-4 Added reallocation guidance and added DCL cite on same
  
- p. 6-14 Updated DCL cite on meeting nonfederal share with state grant and scholarships
  
- p. 6-91 Updated Child or Family Services cancellation guidance and added DCL cite to Child or Family Services sidebar (GEN 05-15) and added HEA cite
  
- p. 6-94 Updated Perkins cancellation reimbursement DCL cite
  
- p. 6-117 Updated DRAP participation procedure guidance, and added Campus-Based call center telephone # to sidebar (they take DRAP calls)
  
- p. 6-118 Added Perkins Cohort Default Rate Guide link
  
- p. 6-118 Revised sidebar heading “In default” to “Loans included in cohort default rate”