Federal Perkins Loan Program

Assignment and Liquidation Guide
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**General Information**

**What is Perkins Liquidation?**

Perkins liquidation is the process through which a school ends participation in the Federal Perkins Loan (Perkins Loan) Program by:

- Liquidating all outstanding Federal Perkins Loans, National Direct Student Loans (NDSL), and National Defense Student Loans (Defense Loans) in the school portfolio
- Liquidating the Perkins Revolving Fund (Fund)

The process of liquidating a school's Perkins Loan portfolio includes a review of the outstanding Perkins Loans to determine if the loans have been maintained and administered properly so they can be assigned to the U.S. Department of Education (Department).

All loans must be properly accounted for and updated in the Department’s National Student Loan Data System (NSLDS). The status of all loans must be:

- Fully retired, e.g., paid in full, or
- Purchased by the school, or
- Accepted for assignment by the Department and properly transferred to the Department

A school's Perkins Loan portfolio and program Fund is not considered liquidated and closed out until the school has received an official letter of completion from the Department. In order to receive an official letter of completion a school must complete all steps in the liquidation process.

**When and why does a school liquidate its Perkins program?**

A school must liquidate its Perkins Loan portfolio and program Fund, when the school:

- Voluntarily withdraws from the Perkins Loan Program;
- Has had its eligibility to participate in the Perkins Loan Program terminated by the Department;
- Has not been approved by the Department for continued participation in the Perkins Loan Program during the school’s recertification process; or
- Is closing.

A school is urged to liquidate its Perkins Loan Portfolio and program Fund if it is no longer advancing Perkins Loan funds to students.

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**Not Liquidating?**

As a reminder, a school may assign any defaulted loan at any time and may not necessarily wish to liquidate its portfolio and fund; for this purpose, schools must follow instructions for assignment in **Step 3 Assign Loans** beginning on Page 5.
How long does it take to liquidate the Perkins portfolio and Fund?

The length of time each school takes to liquidate varies and depends on the following:

- The size of the outstanding portfolio to assign.
- Whether reconciliation is required between the FISAP data, school records and/or its reported NSLDS data.
- When a school begins the process.

It could reasonably take up to 180 days to 1) liquidate the remaining portfolio, 2) update and report to NSLDS, 3) return the federal share of remaining funds and 4) submit final FISAP data. It may take additional time for some schools to complete a final audit and receive the official closeout letter from the Department.

The Department has implemented changes in an effort to reduce burden and streamline the Perkins Loan liquidation process for schools and to provide an accessible tracking system for both schools and the Department to view and follow through the eventual closeout of the school’s Perkins Loan Program. Using the eCampus-Based (eCB) System, schools are guided through the liquidation and closeout process. In addition to the automation of the closeout process through eCB, the Perkins Loan Assignment System (PLAS) allows schools to submit their assignments electronically, further reducing the amount of time it takes to process assignments.
Liquidation Process Overview

Step 1: INTENT TO LIQUIDATE
Notify the Department of Education of the school's intent to begin liquidation.

- School logs onto eCampus Based (eCB) System to notify the Department and begin the liquidation process.

Step 2: NOTIFY BORROWERS
Notify borrowers that their Perkins Loans are being assigned to the Department.

- School notifies borrowers by mail at least 30 days before assignment of loans.

Step 3: ASSIGN LOANS
Assign all outstanding open Perkins Loans to the Department within 45 days following Intent.

- School separates loans into categories (see procedures) and submits to the Federal Perkins Loan Servicer (ECSI) electronically and/or by mail.

- Required for all loans:
  - Assignment Forms (OMB 1845-0048)
  - Assignment Manifest
  - Original or Certified True Copy Promissory Notes
  - Repayment History Records

- Required for Certain loans: (see procedures)
  - Disbursement Records
  - Documents related to Bankruptcy or Judgment

- School has the choice of manual or electronic completion of assignment forms and submission of (most) materials.

Step 4: PURCHASE LOANS
Purchase Perkins Loans that cannot be assigned to the Department.

- School reimburses the program Fund for the entire portion of the outstanding principal balance plus any accrued interest on loans being purchased. Payment is NOT sent directly to the Department at this time. Once the liquidation of the portfolio is completed, payment of the Federal portion of the remaining, program Fund will be required (see step 7 below).

- NOTE: Before a school updates any records in NSLDS to purchased, FSA will need to know the school is purchasing loans so FSA can obtain the list from NSLDS prior to update. As part of the liquidation and closeout process in eCB, any liability (purchased loans) will be calculated and entered into the Perkins closeout form by FSA if not already accounted for and remitted to the school’s current cash on hand amount.

Step 5: UPDATE NSLDS
Update Perkins Loan records in NSLDS.

- School must report and update all assigned and school-purchased Perkins Loans in NSLDS. Perkins liquidation requires that there be zero open loans (school held) in NSLDS.
**Step 6: Perkins Closeout Audit**

Complete Perkins closeout audit.

Not-for-profit schools that fall under the Single Audit Act:
- School can elect to either have an Independent Perkins closeout audit completed or combine the Perkins closeout audit with the school’s annual audit.

Schools that do not fall under the Single Audit Act:
- School must have an independent Perkins closeout audit completed.

**Step 7: Remit the Federal Share**

Remit the federal share of the remaining Perkins cash assets to the Department.

Distributional shares (Federal – Institutional) are determined using the Distributional Shares Formula. This formula is calculated in Phase 3 of the Perkins Intent and Closeout Form. The calculation includes the latest cash on hand amount as reported by the school and may include the outstanding principal amount plus interest for any loans the school may have to purchase.

School remits federal share via G5 at [https://g5.gov](https://g5.gov) using the Miscellaneous Refunds option.

**Step 8: Final FISAP Data**

School completes final FISAP data.

School logs onto eCB and enters final FISAP data in Phase 4 of the Perkins Intent and Closeout Form.
Steps in the Liquidation Process

STEP 1: INTENT TO LIQUIDATE

A school must notify the Department when the school intends to liquidate.

Process for notifying the Department of Intent to Liquidate:

A school must submit its intent to liquidate electronically using the eCampus-Based System (eCB). A school can log into eCB and begin the liquidation and closeout process at any point during the program year. After logging into eCB, select “Perkins Program Liquidation” from the menu choices on the left. Click on “Intent and Closeout Form” and follow the on-screen instructions. For further data entry instructions, please refer to the School User Guide to Data Entry, Appendix B, School User Guide to Data Entry for Completing eCampus-Based Automated Perkins Liquidation Process.

STEP 2: NOTIFY BORROWERS

A school must notify borrowers of the pending assignment of their Perkins Loan(s) to the Department.

Time requirements for notifying borrowers:

Borrowers should be given at least 30-day's notice. Loans should be submitted to the Department no later than 45 days from the date the school submitted their intent to liquidate. Occasionally, this notification results in payments from borrowers who have been unwilling to make payments in the past. If a payment is received, the school should deposit the funds immediately into its Perkins Program Fund and await official notification of acceptance.
**Process for notifying borrowers:**

The school should notify borrowers by mail or email. The wording in this sample notification below may be used.

**SAMPLE NOTIFICATION**

[Date]
From: [School – Email/Address]
To: [Borrower Name]
               [Borrower – Email/Address]
Dear Federal Perkins, NDSL, or Defense Loan Borrower:

This letter is to inform you that [school name] intends to liquidate and closeout its Federal Perkins Loan Program. As part of this process, your Federal Perkins (or NDSL or Defense) loans(s) will be assigned and transferred to the Department of Education.

Once this assignment of your Federal Perkins Loan(s) to the Department of Education is completed, you will receive notification from "ECSI Federal Perkins Loan Servicer." ECSI will provide information on where to send your payments as well as contact information for assistance. Please continue to make your payments to [school name or servicer name] until you receive the notification from ECSI.

IMPORTANT: This information pertains ONLY to Federal Perkins Loans, National Direct Student Loans (NDSL), and National Defense Student Loans (Defense Loans).

**STEP 3: ASSIGN LOANS**

A school must assign all outstanding open loans to the Department.

**What does it mean to assign loans to the Department?**

Schools may assign Perkins Loans to the Department at any time during the program year. When schools assign a loan to the Department, they are transferring all rights and responsibility for collection on the loan to the United States government. The school relinquishes its rights to any share of amounts collected by the Department after a Perkins Loan is assigned to and accepted by the Department. All future payments will be made to the Department and the borrower will receive notification of the change of loan holder and where to send payments.

**Non-liquidating Schools**

The Department recognizes that a school may have exhausted all of its available collection options on some of its defaulted Perkins Loans and encourages schools to assign these loans to the Department so additional steps can be taken to recover the loan funds. The Department has collection tools that are not available to schools, such as administrative wage garnishment, Treasury offset, and litigation by the Department of Justice.

**Liquidating Schools**

When a school liquidates its Perkins portfolio, which may include Perkins Loans, NDSL and Defense loans, it must assign the all loans with outstanding balances to the Department for collection whether defaulted or non-defaulted.
Assigning Loans without Recompense

All loans that a school assigns to the Department are assigned without recompense. The Department will not reimburse the school’s program Fund for the loans, and all rights, authorities and privileges associated with the loan are transferred to the Department. 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 government. Assignment of defaulted loans will not affect the calculation of the school’s Perkins Loan cohort default rate.

How are loans assigned to the Department?

Reconciliation

A school must ensure that its loans are properly accounted for and updated in NSLDS. The school should request a Reconciliation report from NSLDS when it begins the assignment process and reconcile its records against the report to ensure its outstanding portfolio has been accurately reported to NSLDS. Schools can request a reconciliation file report (REC005) online at https://NSLDSfap.ed.gov. Ultimately, the total amount of loans and number of borrowers the Department has in NSLDS should reconcile with what the school reports on its final FISAP. Following the assignment process and updating of NSLDS, the system should show that no open loans remain at the school.

Manual or Electronic Submission

Schools can elect to complete and submit assignments either manually by paper or electronically by using the Department's Perkins Loan Assignment System (PLAS).

Automated Perkins Loan Assignment System or PLAS

Schools are encouraged to utilize the automated assignment process instead of the paper process. This web-based option allows schools to send multiple loans in a batch process or one by one through an on-line, web-based form.

NOTE: These procedures only provide an overview of PLAS. For more detailed information on how to use the system, please refer to the ECSI PLAS User Guide, Appendix D, Perkins Loan Assignment System (PLAS) User Guide. When a school signs up for PLAS, ECSI will reach out and provide some training on how to get started.

Access to PLAS

To use PLAS, the school must designate an individual who is already an authorized user able to log in to Federal Student Aid (FSA) systems to act as the Primary Destination Point Administrator (DPA). This person can request access to PLAS for other users at the school. To obtain a PLAS security access form and learn more on using PLAS to assign loans to the Department, visit https://efpls.com.

The DPA requesting access for the school will be required to provide their school OPEID, name, title, email address, phone number, and FSA two-factor authentication serial number. The form must be printed and signed by the by a supervisor. The signed form can then be either scanned and emailed to plasaccess@efpls.com or mailed to:

ECIS Federal Perkins Loan Servicer Attn:
PLAS Access Requests
100 Global View Drive, Suite 800
Warrendale, PA 15086
Required Documentation for Loan Assignments

Perkins loan assignments must include the following documentation. More detailed information about each of the documentation requirements are provided in the sections below. **NOTE:** If a borrower has more than one loan being assigned, separate supporting documentation must be included for each loan.

- Assignment Manifest
- Perkins Assignment Form
  - Institutional Certification (OMB 1845-0048)
  - Borrower and Loan Information (OMB 1845-0048)
- Original Promissory Note or Perkins Master Promissory Note (MPN)
- Repayment History
- Judgment Information (If applicable)
- Bankruptcy Information (If applicable)

**Request approval for missing or defective documentation or other extenuating circumstances:**

Explanations concerning missing or defective (e.g., incomplete, not signed) promissory notes, missing or incomplete bankruptcy information, or missing or incomplete judgment information require formal approval by the Department. Explanations should be prepared in writing, with the following signature block provided:

Approved/Not Approved

Assignment Specialist
Operation Services, Processing Division
Perkins Loan Assignments

All such explanations must reference the specific account(s) affected by the documentation omission or irregular nature. The explanatory letter should be emailed to the Department at PerkinsLoanAssignments@ed.gov. An email approval is considered a formal approval. **Do not contact the ECSI Federal Perkins Servicer directly with such requests.**

**Perkins Assignment Form (can be found on IFAP)**

For manual assignment submission, the paper version of the Perkins Assignment Form must be used. The Perkins Loan Assignment Form must be completed according to the form's instructions for all outstanding loans being assigned. The assignment form and instructions are also available on IFAP. Please read and follow these instructions carefully.

A school is required to complete only one Institutional Certification page of the Perkins Assignment Form for each assignment submission package when using paper assignment process. The Institutional Certification page must bear the original signature of the school official who is authorized to transfer the institution’s assets. **NOTE:** The Perkins Loan Assignment System (PLAS) has an automated certification process built into the online submission process.
The Borrower and Loan Information page of the Perkins Assignment Form should be completed for each loan included in the paper assignment submission package. **NOTE:** If submitting assignments electronically using PLAS, the borrower and loan information is completed online.

Detailed instructions for completing the Perkins Assignment Form are provided in Appendix C, INSTRUCTIONS FOR ASSIGNMENT FORM OMB-1845-0048. Please read and follow these instructions carefully.

**Assignment Manifest**

Each submission package must include a manifest listing the accounts submitted. See Section C of the Institutional Certification page of the Perkins Assignment Form for detailed instructions on the contents and format of the manifest.

**NOTE:** If using the PLAS for assignment and submission online, the PLAS system will automatically generate this information and create the manifest for you, which will include the assignment’s batch and sequence numbers. This manifest must be attached to the supporting documentation mailed to ECSI.

**Separate or Bundled Loans:**

- Loans Made Prior to July 1, 2008: If an account was bundled (more than one loan was initially reported to NSLDS as one loan), these loans should be listed on the manifest as one loan.
- Loans Made On or After July 1, 2008: Loans made on or after July 1, 2008 should have been reported to NSLDS individually and not combined or bundled with another loan(s). Loans made on or after July 1, 2008 must be individually submitted for assignment.

Reporting loans on the manifest in the same manner that they were reported to NSLDS reduces the possibility of matching errors in NSLDS.

**Perkins Original Promissory Note**

Original promissory notes are required for all loans. All promissory notes that are submitted for assignment must be valid legal instruments. Perkins promissory notes must contain signatures, loan amounts, and dates for each loan period. Perkins Master Promissory Notes (MPNs) must contain the borrower’s signature and the principal amount loaned must be supported by institutional disbursement records.

At some schools, audits and program reviews may have already identified defective or invalid notes (e.g., incomplete, not signed). These loans may not be assigned without the approval from the Department and 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.

**Electronically signed promissory notes**

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’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.

**Missing original promissory note**

If an original promissory note is missing, a "Certified True Copy" of the front and back of the promissory note may be submitted in lieu of the missing note.

**A “Certified True Copy” of a promissory note:**

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:

**Multiple loans on one note:**

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 an 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 (see Appendix A, Information Sources).

**Repayment Records**

A copy of the student’s loan repayment history (financial profile of the account) must be provided. Such a repayment history includes a record of 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 should be provided as an attachment to any printout. Such a key will assist in the interpretation of every accounting transaction that appears on the repayment history.
Disbursement Records (if applicable)

Disbursement records, showing the amount and date of each disbursement of a borrower's Perkins Loans, may be needed to enforce a Perkins MPN. All schools either liquidating and withdrawing from the Perkins program or closing are required to provide disbursement records when assigning any loans made using a Perkins MPN.

Schools not liquidating or closing that assign defaulted loans are not required to submit disbursement records, but are required to maintain disbursement records at the school for at least three years from the date the loan is canceled, paid-in-full, or otherwise satisfied.

Judgment Information (if applicable)

If a school has initiated legal action against a borrower as part of its collection efforts, the loans of that borrower cannot be assigned to the United States until the litigation is completed and a judgment is rendered for the institution and against the borrower or endorser. If the institution chooses to assign the loan immediately, the legal action will need to be withdrawn from the courts.

The Department does not accept assignment of loans for which the institution has obtained a judgment unless the institution transfers the original or a 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.”

Any judgment that is included, as part of an assignment package must cite the 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, a school should prepare for its 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 Higher Education Act of 1965, as amended (HEA), eliminated the previous 7-year time limitation on the collection of student loans regardless of any other statute, regulation or administrative limitation. Thus, under 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.

**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 account cannot be assigned until the court has ruled on the bankruptcy petition except in the case of a school that is liquidating or closing. If the school is not liquidating or closing, it cannot assign any account pending a bankruptcy decision by the court.

A school that is officially liquidating its program or is closing can submit an account for assignment pending a bankruptcy decision. In addition to all documents related to the bankruptcy filing received by the school or sent by the school, the school must provide documentation that it requested the bankruptcy court name the U.S. Department of Education or the Secretary of the U.S. Department of Education as the creditor.

If the court rules that the loan can be discharged, the account should not be assigned and may be eligible to be written off the institution’s records as a bankruptcy.

If the court rules that the loan cannot be discharged, the account is then eligible for assignment to the Department. All documentation supporting the court decision must be included with the assignment submission. This would include any documents received from or sent to the bankruptcy court. If you are unsure of the type of bankruptcy petition filed or the loan's eligibility for discharge, 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 bankruptcy and 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, the notice must be forwarded to the Processing Division, Perkins Loan Assignments in San Francisco see Appendix A, Information Sources for further information.
A discharge in bankruptcy prevents further enforcement of the obligation against the borrower. Any cosigner is still legally responsible for the debt. The institution must perform all due diligence requirements with respect to the cosigner prior to attempting assignment to the Department.

**NOTE:** See CFR 34, Section 674.49 of the Perkins regulations and Volume 6, Chapter 5 (“Perkins Cancellation”) of the Federal Student Aid Handbook for more specific information about bankruptcy.
### Assignments at a Glance

**Required for ALL loans**

<table>
<thead>
<tr>
<th>Assignment Forms</th>
<th><strong>MANUAL Assignment Submission</strong></th>
<th><strong>ELECTRONIC Assignment Submission (PLAS)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Complete Federal Perkins Loan Program/NDSL Assignment Form (OMB 1845-0048). The form is in two parts:</td>
<td>Complete Federal Perkins Loan Program/NDSL Assignment Form (OMB 1845-0048) information online:</td>
</tr>
<tr>
<td></td>
<td>a. Complete <strong>one Institutional Certification page</strong> for each assignment submission package.</td>
<td>a. An automated certification process is built into the on-line submission process.</td>
</tr>
<tr>
<td></td>
<td>b. Complete <strong>one Borrower and Loan Information page</strong> for each loan.</td>
<td>b. Complete Borrower and Loan Information for each loan. Can be done one-by-one by data entry, or in batches by batch file upload.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assignment Manifest</th>
<th>Create an assignment package manifest to be submitted with each assignment package.</th>
<th>A manifest will be created for you by the system.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a. A manifest listing the loans being submitted for assignment must accompany each assignment package.</td>
<td>a. This manifest will need to be attached to the hard copy original or certified true copy promissory notes and any supporting documentation mailed to ECSI.</td>
</tr>
<tr>
<td></td>
<td>b. Please see Section C of the Institutional Certification page of the Perkins Assignment Form (OMB 1845-0048) for detailed instructions on the contents and format of the manifest.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Original Promissory Note</th>
<th>Provide <strong>hard copy original or certified true copy</strong> promissory note for each loan.</th>
<th>Promissory note may be uploaded electronically. However, the <strong>hard copy original or certified true copy</strong> promissory note must be mailed in as well.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayment Records</td>
<td>Provide a copy of the student’s loan repayment record history with each loan.</td>
<td>Upload or mail a copy of the student’s loan repayment record history with each loan.</td>
</tr>
</tbody>
</table>

**Required ONLY for the circumstances noted:**

<table>
<thead>
<tr>
<th>Disbursement Records</th>
<th>Disbursement records are only required when an MPN is used.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bankruptcy Documents</td>
<td>Please see the Bankruptcy Information section for further details and documentation requirements for loans involved in bankruptcy.</td>
</tr>
<tr>
<td>Original Judgment Documents</td>
<td>ONLY required if a school has taken or initiated legal action against a borrower. See Judgment Information section for documentation details.</td>
</tr>
</tbody>
</table>

### Loan Categories for Assignment Processing

*Divide all loans into separate groups if liquidating as follows:*  

Whether using the paper process, online or batch processing, loans being submitted for assignment due to liquidation should be separated into categories:
• Non-defaulted loans divided and clearly marked into these categories
  o grace period
  o forbearance
  o deferment
  o enrolled and in attendance at a school at the time of liquidation
  o in repayment

• Loans under rehabilitation agreements - If a borrower has made payment arrangements with the school for the purposes of rehabbing a loan, the loan must be separated and the agreement must be attached to the supporting documentation for that loan submission in order for the Department to honor such agreement.

• Pending bankruptcy - If a school receives notification that a bankruptcy petition has been filed prior to the time the school submits the loan to the Department, this would result in an automatic rejection from the Department.

Do not include a default date on the assignment form for non-defaulted loan categories.

**Mailing Instructions**

Loan assignment packages, the paper promissory notes and any other supporting documentation for assignments submitted electronically must be sent by REGISTERED MAIL to the Federal Perkins Loan Servicer (ECSI) at the below address. All paper documents required for the assignment process (e.g., original promissory notes, and if paper process—completed assignment forms, submission package manifest) MUST be included.

Send by registered mail to:

   ECSI Federal Perkins Loan Servicer  
   100 Global View Drive, Suite 800  
   Warrendale, PA 15086

**Status of Assignment**

**Loans Accepted**

**Official Notification of Acceptance:** When manual paper assignments are accepted, the institution will receive a document identified as "Perkins Load Database Report" via email. This report provides borrower identification information, school identification information, and outstanding principal, interest and fees accepted for assignment by the Department. This is the official acceptance notice and should be retained in the school’s records.

Hard copies of the acceptance notices (Perkins Load Database Reports) may be sent to the school’s address provided in the school’s program participation agreement. The institution should ensure that its mail distribution staff becomes familiar with these notices and the offices to which they should be distributed.

**NOTE:** Schools that use PLAS for electronic submission can access information about accepted and rejected assignments through PLAS. These reports can be viewed on-line or printed from PLAS.
**Loans Rejected**

For Perkins Loans rejected for assignment, the Department will provide the school with the reason(s) for rejection; if the school can resolve the issue(s) it may resubmit the loan for assignment. For most problems, this process may enable a school to correct the deficiencies and resubmit the rejected loans. The Department will work with the school to assist in resolving issues.

**Loan Payments Received after Loan Assignment**

**Before loan has been accepted**

If the loan has been submitted but not yet accepted and the school receives a payment, the school should deposit the funds immediately into its Perkins Program Fund and await official notification of acceptance. Upon acceptance of the account, the institution must issue a check to the Department, including the borrower and loan information noted above so that the borrower records can be updated to reflect payment.

**After loan has been accepted**

Any payment the school or its servicer receives from a borrower after the borrower’s account has been submitted to the Department for assignment and accepted by the Department, should be forwarded as soon as possible, to:

- Department of Education
- ECSI Federal Perkins Loan Servicer
- Box 105765
- Atlanta, GA 30348-5765

**NOTE:** Courier services do not deliver to postal boxes so we recommend using the United States Postal Services registered mail.

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, an institution should not contact the Department to request the return of a submission because a borrower has made a payment to the institution.

**Collection Fees**

Any collection agency fees that are deducted from payments received after account submission to the Department are the sole responsibility of the institution and may not be charged to the program Fund. The entire borrower payment must be forwarded to the Department.

**Additional Important Assignment Information**

**Loans with Balance of Less than $25**

An account may not be assigned if the total amount outstanding is less than $25, unless the borrower has more than one loan (NDSL, Defense, Federal Perkins) that when combined, total $25 or more. The following are special instructions for assigning loans of different types of less than $25 that, when combined, equal at least $25:

- Complete the Borrower and Loan Information page of the Perkins Assignment Form for each loan,
• Package all loans (or supporting documentation for loans submitted electronically) for that borrower together, and
• Include a clarifying statement explaining the combination of loans being assigned.

**Borrower with more than one loan to assign**

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.

**Items being submitted that require clarification**

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. Explanations concerning missing or defective promissory notes, missing or incomplete bankruptcy information, or missing or incomplete judgment information require formal approval by the Department (see Appendix A, Information Sources).

**Who to Contact with Assignment Questions**

**Issues with Specific Assignments**

Questions pertaining to the status of your assignment submissions, or the correction of pending submissions, may be directed to:

- ECSI Federal Perkins Loan Servicer
- (844) 301-2620
- productionprocessing@efpls.com

**To Check on Assignments Submitted**

To follow up on accounts submitted more than 60 days previously using the paper process, please email productionprocessing@efpls.com. In order to verify the submission, the email must include the student(s) name(s) and Social Security Number(s) in an encrypted file.

All inquiries must include the school’s Name and OPEID.

**STEP 4: PURCHASE LOANS**

A school may be required to purchase loans that the Department will not accept for assignment. *Note that an account may not be assigned if the total amount outstanding is less than $25, see previous section.*

**When is a school required to purchase loans?**

The Department will not accept a loan for assignment if the promissory note is missing or unsigned (see exception for using a “Certified True Copy” under Missing Promissory section above). All accounts deemed unenforceable by the Department will be rejected for assignment and returned to the school for purchase.
How does a school purchase loans?

CFR 34, Section 674.50(g) of the Federal Perkins Loan Program regulations requires that the school reimburse its program Fund for the entire portion of the outstanding principle balance (OPB) plus any accrued interest on a loan the Department determines is unenforceable.

Any open loans that cannot be assigned and for which the OPB plus interest was not previously reimbursed to the Fund and therefore not reported previously on the FISAP as part of the school’s cash on hand amount will be assessed by the Department. This assessed amount for the OPB plus interest will be added into the total cash asset during Phase 3 of the Perkins liquidation and closeout process within eCB. Before a school updates any records in NSLDS to purchased, the Department will need to know the school is purchasing loans not previously reported so the Department can obtain the list of purchased loans from NSLDS prior to the update of these loans. Once liquidation of the portfolio is completed, the Federal share of the remaining, program Fund will be calculated. Phase 3 of the Perkins liquidation and closeout process calculates the Federal and institutional shares of the remaining cash asset, which would include any assessed liability for unassignable loans. The Federal share will be required to be paid to the Department.

Reporting school-purchased loans on the FISAP

Reimbursements or deposits a school makes on unassignable loans into its program Fund are considered cash-on-hand and are reported on the FISAP in Part III, Section A in Field Item 1.1 or 1.2. Funds deposited into a school’s program Fund for the purpose of purchasing unassignable loans, are documented on the FISAP in the same way as for funds received from a borrower’s repayment of a loan balance. At year-end reporting on the FISAP (6/30 or 10/31), the school simultaneously reports the principal (Field Item 5) and the interest (Field Item 31). In most cases, e.g., schools liquidating and closing out their program, schools would report the full purchase price, including interest, when it submits its final data through the closeout process in eCB.

The school will reclaim its share of the reimbursed amount when the final capital distribution occurs during the closeout process within eCB via the Perkins Liquidation module.

Reporting school-purchased loans on NSLDS

Once a loan has been purchased by the school, the Department transfers all rights, title and interest of the United States in the loan to the school for its own account. School purchased loans must also be properly accounted for and updated in the National Student Loan Data System (NSLDS).

STEP 5: UPDATE NSLDS

A school must update Perkins loan records in NSLDS.

Under Title IV, Part F, Section 485(c) of the Higher Education Act of 1965, as amended (HEA), schools are required to report new loans or update data on existing loans to NSLDS. For the purposes of Perkins liquidation and closeout, schools must ensure that all outstanding Perkins Loans are properly accounted for and updated in
NSLDS—NSLDS must reflect that all borrower loan accounts for a liquidating school are retired, accepted for assignment by the Department, or purchased by the school.

It is a school’s responsibility to ensure the required reporting to NSLDS (which includes Perkins Loan account detail) is completed on time and accurately. A school must complete its NSLDS reporting requirements in accordance with the instructions in the NSLDS Enrollment Reporting Guide and the Perkins Data Provider Instructions. Schools that utilize a third party servicer for billing, collecting and reporting should communicate these requirements to its servicer.

Reporting Loans Accepted for Assignment

Once a loan is officially accepted for assignment, the school must update the loan in NSLDS to show that it is “transferred for assignment”. This is done by using the transfer code “AE” in Field Code #263. (This will release the loan and enable the Department to report on it.)

When reporting loans as “AE” or transferred to the Department, the Date of Loan Status field (Field Code #262) should match the loan “certification date” used on the assignment form (Certification, Section B, Item 12) for the loan when it was submitted to the Department for assignment using the paper form. For schools using PLAS, this date would be the date the submission was made electronically.

IMPORTANT: Once the loan is reported with the “AE” transfer code, the school or its servicer should not report on that same loan again.

A note about the transfer process in NSLDS: Although loan transfer codes use the loan status code field (Field Code #263) on the Database Extract File, they are NOT loan status codes and do not update the loan status code fields in NSLDS. Instead, they indicate that the loan was assigned, accepted and now in transit to the Department. The loan is officially transferred when the Department’s servicer reports on the loan. If the previous data provider (the school) reports the loan with a non-transfer loan status before the Department reports on the loan, NSLDS will assume that the transfer request was incorrect and the loan would be retained by the previous data provider (the school).

It is both the “AE” transfer code and the correct “certification date” as the Date of Loan Status that when reported correctly during the update to NSLDS, allows for a seamless transfer of the loan from the school to the Department. Once notified of successful reporting, the school or its servicer must stop reporting the loan to NSLDS. Whoever does the reporting to NSLDS for the school should be familiar with these reporting requirements as well as the Perkins Data Provider Instructions to ensure any errors that are reported are being corrected by the originating data provider.

Reporting Loans Purchased by the School

After the program Fund is reimbursed for any defaulted and/or non-defaulted unassignable loans that a school has purchased, the school must report these loans to NSLDS as “UC” (Non-defaulted Loan Purchased by School) or “UD” (Defaulted Loan Purchased by School). These status codes would be reported in the Loan Status field (Field Code #263).

STEP 6: PERKINS CLOSEOUT AUDIT

The school must schedule the Perkins closeout audit and provide a copy of the audit to Department when completed. A Perkins closeout audit is required as part of the liquidation process.

Brief Overview of the Perkins Audit Requirement

- Not-for-profit schools that qualify and report annually under the Single Audit Act may elect not to have an independent Perkins audit done, and instead include the Perkins closeout audit with the school’s regular annual audit.
- The Perkins Loan liquidation audit requirement is now included in the OMB Circular A-133 Supplemental under Program Clusters.
- School auditors should be told that the Perkins closeout audit must be completed with the annual audit.
  - Schools that do not report under the Single Audit Act must submit a letter of engagement for an independent audit within 45 days after the school ends participation in the Perkins program.
  - A copy of the completed audit is to be emailed to the Department at perkinsliquid@ed.gov no later than 90 days after the school ends participation in the Perkins program (the 90-day time frame does not apply to schools that report under the Single Audit Act).

**General Requirements**

34 CFR, Section 668.26 requires that a school submit a letter of engagement for an independent audit of all funds that the school received under the program to the Secretary within 45 days after the school’s participation ends. A school’s participation in the Perkins Loan Program is considered to have ended once all outstanding loans in its portfolio have been fully retired, assigned and accepted by the Department, or purchased. The engagement for the independent audit shall include the requirements prescribed in this step of the liquidation procedures. The results of the Perkins Program Closeout Audit (closeout audit) must be submitted to the Department once a report is finalized. Institutions that are liquidating their Perkins Loan portfolio and program Fund must account for the program funds as outlined under these procedures.

Schools that qualify and report annually under the Single Audit Act, commonly referred to as the OMB A-133 audit, should consult with their auditor and refer to the information contained in the Department’s Audit Guide Supplement.

**Specific Requirements**

The auditor will verify the information below and determine whether the institution ceasing its participation in the Perkins program has properly performed its end-of-participation responsibilities. The results must be forwarded to the Department in a written report (see Coverage section below).

For an institution that ends its participation in the Perkins Loan Program, the institution is responsible for returning any unspent funds (34 CFR Section 668.14(b)(25)) and required to perform the following end-of-participation procedures in which it must:

a) notify the Department via e-CB of the intent to stop participating in Perkins (34 CFR Section 668.26(b)(1));

b) inform the Department of how the institution will provide for the collection of any outstanding loans made under the program (34 CFR section 668.26(b)(4));

c) purchase any outstanding loans left in its Perkins portfolios or assign them to the Department (34 CFR Sections 674.8(d), 674.17(a)(2), and 674.45(d)(2)); and

d) maintain program and fiscal records of all Perkins funds since the most recent Fiscal Operations Report (FISAP) was submitted, and reconcile this information at least monthly (34 CFR Section 674.19(d)).

**Timing**

The closeout audit report should be submitted to the Department within **90 days** of the end of the school’s participation in the program. A school’s participation is considered to have ended once all outstanding loans in its portfolio have been fully retired, assigned and accepted by the Department, or purchased. This time frame
permits 45 days for the school to engage an independent auditor and an additional 45 days for preparation and submission of the audit report.

Schools that qualify and report annually under the Single Audit Act are not subject to the 90-day deadline if their audit is scheduled to take place at a later date. **However, schools should communicate to their auditors that they are liquidating and discontinuing their participation in the Federal Perkins Loan Program and will be required to provide a closeout audit.**

**Coverage**

The audit report shall cover the school’s Perkins program activities when it ends its participation in the program; in most cases this would be since its last reported FISAP and through the completed liquidation of its Perkins Loan portfolio and program Fund. The objective is to determine whether the school has properly performed end-of-participation procedures.

**Procedures**

a) If the institution has completed the liquidation of its Perkins loan portfolio, verify that the institution has either purchased or assigned to the Department any Perkins Loans with outstanding balances.

b) If the process of liquidating outstanding loans has not been completed, verify that the institution has informed the Department of how the institution will provide for the collection of the outstanding loans made under the program. **NOTE: A school must purchase any outstanding, unassignable loans.**

c) Verify that the institution, as part of its procedures for maintaining program and fiscal records for all transactions that occurred after the most recent FISAP was filed, reconciled the following information:

1. All loans for the total number of borrowers that make up the portfolio have been accounted for. This includes:
   a. Retired loans, including loans purchased
   b. Loans assigned to the Department, including validation of the computed accumulated interest charged on the loans

2. Service cancellation data in Section A and all of the data in Section C of Part III of the school’s latest submitted FISAP

3. The Federal Capital Contribution (FCC)

4. The Institutional Capital Contribution (ICC)

5. Overall cash on hand or excess cash amounts

   **NOTE:** This overall cash on hand amount could include payment to the Fund for any loans the school may have purchased.

**IMPORTANT:** Any data found to be inaccurate on the latest submitted FISAP must be corrected and re-submitted to the Department. The school can submit a change request through eCB indicating it needs to amend the FISAP data for the purposes of liquidation.
SFA Audit Guide

The SFA Audit Guide and subsequent procedures and letters providing further guidance can be found on the Office of Inspector General’s website at: https://www2.ed.gov/about/offices/list/oig/nonfed/sfa.html.

Audit Report Submission

A school must send an electronic (.pdf) copy of the closeout audit or portion that contains the required Perkins closeout information to:

perkinsliquid@ed.gov

The subject of the email notification should include the name of the school, OPEID number and the words “CLOSEOUT AUDIT REPORT.”

STEP 7: REMIT THE FEDERAL SHARE

A school must remit the federal share of the remaining Perkins cash asset to the Department.

General Requirements

The final capital distribution (Federal and Institutional shares) from a school’s program Fund must be made in accordance with Title IV, Part C, Section 466(c) of the HEA. This Section requires a school to return the federal share of a school’s Perkins Loan Revolving Fund to the Department. This passage of the HEA is applied to both excess liquid capital procedures for schools with active portfolios and liquidation procedures for schools ending their participation in the Perkins Program.

Due to changes in the matching ratio of the required institutional match or institutional capital contribution (ICC) of the Federal allocation or Federal capital contribution (FCC) from 1992 and forward, the Department’s federal share of a school’s program Fund will be calculated using the Distributional Shares formula formerly known as the “over-time” formula.
As part of the closeout process within eCB, any federal share of remaining fund will be automatically calculated and notification of any Federal share owed will be communicated along with instructions for returning the federal share to the Department.

Formula used to Determine Shares of Remaining Cash Asset (Perkins Revolving Fund)

\[
\text{Cash on hand} = \frac{\text{Final Capital Distribution}}{\text{net FCC + net ICC}}
\]

\[
\text{FCC} = \text{Federal Capital Contribution added to the Fund by the Department over period of time (Part III. Section A. Field Item 27)}
\]

\[
\text{Repayments of Fund capital to federal government} (\text{Part III. Section A. Field Item 28})
\]

\[
\text{net FCC} = \text{FCC minus repayments of Fund capital to federal government} (\text{Field Item 27 minus Field Item 28})
\]

\[
\text{ICC} = \text{Institutional Capital Contribution added by school over period of time this language needs to match the DCL (Part III. Section A. Field Item 29.3)}
\]

\[
\text{Repayments of Fund capital to school} (\text{Part III. Section A. Field Item 30.3})
\]

\[
\text{net ICC} = \text{ICC minus repayments of Fund capital to school} (\text{Field Item 29.3 – Field Item 30.3})
\]

\[
\text{Cash on hand} (\text{Part III. Section A. Field Item 1.1 or 1.2 as appropriate})
\]

Returning the Federal Share to the Department

Any federal share of remaining capital should be refunded electronically via G5 (https://g5.gov), using the G5 Miscellaneous Refunds option.

STEP 8: FINAL FISAP DATA

A school must submit final FISAP data. Schools will report the final FISAP activity related to its Perkins program liquidation and closeout using the automated eCB electronic closeout form process online. A school must continue to file its FISAP annually until it can report all final activity. “Final” activity consists of assigning any remaining loans with outstanding balances to the Department or reimbursing the Fund for the purpose of purchasing any loans that are not accepted by the Department, and the distribution of the final capital has been made.
The school will input its final data in Phase 4 of the eCB online closeout form to demonstrate that the total Federal and Institutional shares from the school’s program Fund were repaid which would include any additional amounts of repayment from the final cash asset as calculated by the Distributional Shares formula within eCB. The online closeout form streamlines this final step in the liquidation process as it takes the place of the official submission of the final FISAP by the school. When a school submits its data in Phase 4, it affirms that any remaining cash asset was properly repaid and its Perkins Fund closed. Repayments of fund capital to federal government (line 28) and school (line 30.3) should include previously reported amount plus any additional final payment made as a result of liquidation and closeout. The school also enters and affirms that all Perkins Loans have been accounted for—fully retired, purchased, or assigned.

OFFICIAL LIQUIDATION COMPLETION LETTER

Once the liquidation and closeout requirements are satisfied, an official letter of approval for liquidation completion and closeout will be issued to your school. The letter will be posted to your schools self-service page in eCB.
APPENDIX A: Further Information Sources

Borrower Contact Information

Perkins Loan Servicer Borrower Contact Information

Borrower Payments should be mailed to: Department of Education

    ECSI Federal Perkins Loan Servicer
    P.O. Box 105765
    Atlanta, GA 30348-5765

The Borrower Customer Service telephone number is: (866) 313-3797

Borrower Correspondence should be mailed to:

    U.S. Department of Education
    ECSI Federal Perkins Loan Servicer
    P.O. Box 1079
    Wexford, PA 15090

School Contact Information

Perkins Loan Servicer School Contact Information

The School Customer Service telephone number is: (866) 313-4130.

The School Customer Service email address is: clientsupport@efpls.com

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 should be directed either in writing or by phone to the School Participation Team serving your region.

Closed School Procedures

Questions concerning closed school procedures should be directed to the appropriate School Participation Team.

Discrepancies between School Data and Department Data

The Processing Division, Perkins Loan Assignments, should be contacted 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.

More specific questions pertaining to the procedures for assignment of accounts set forth in this document, can be directed to:

    U.S. Department of Education
    Operation Services, Processing Division
    (415) 486-5655
If you contact the Processing Division, please be advised that you will be instructed to leave a detailed message regarding your assignment submission. Due to periods of high call volume, contacting the Processing Division via PerkinsLoanAssignments@ed.gov may expedite a faster response.

Written inquiries should be mailed to:

Federal Student Aid  
U.S. Department of Education  
Operation Services, Processing Division  
Perkins Loan Assignments  
50 Beale Street, Suite 8601  
San Francisco, CA 94105-1813

**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 email at CBFOB@ed.gov.

**Perkins Loan Program Liquidation**

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

**Repayment of Loans after Assignment**

Borrowers wishing to satisfy their debts once their loans have been accepted for assignment should contact the Department's Borrower Customer Service Center.

The Borrower Customer Service telephone number is: (866) 313-3797

Borrower Payments should be mailed to:

Department of Education  
ECSI Federal Perkins Loan Servicer  
P.O. Box 105765  
Atlanta, GA 30348-5765

Institutions wishing to confirm paid-in-full status for borrowers requesting transcripts should contact the Department's Customer Service Center.

The School Customer Service telephone number is: (866) 313-4130

The School Customer Service email address is: clientsupport@efpls.com

**Total and Permanent Disability Assignments**

All total and permanent disability (TPD) assignments should be sent to:

U.S. Department of Education  
121 South 13th Street, Suite 201  
Lincoln, NE 68508
APPENDIX B: Guide to Data Entry for Completing the eCampus-Based Automated Perkins Liquidation

Access

Schools must access the Perkins Liquidation module through the eCampus-Based (eCB system) at https://cbfisap.ed.gov using their normal login procedures with User ID, Password, and Two-Factor Authentication.

Only schools participating in the Federal Perkins Loan Program have access to the Perkins Liquidation module.

The Perkins Liquidation module has been added to the left side menu.

![Perkins Liquidation Module added to left side menu](image)

The home page of this module provides a high level explanation of the steps involved for a school to liquidate its Federal Perkins Loan Program portfolio and Fund.

Active links to the Intent and Closeout Form, Perkins Liquidation Procedures, Perkins Assignment Procedures, and instructions for Returning Federal Perkins Loan Program Funds to the Department are included where referenced on the home page.

When each step is completed, the bullets change to check marks providing a visual representation of the school’s place in the process.
Federal Perkins Loan Program Liquidation

School: TRAINING ACADEMY OF BEREAL OPEID Number: 00000000

Your school has decided to liquidate its Federal Perkins Loan Program. There are several steps involved in the process:

✓ First, submit the school's intent to liquidate using the electronic Intent and Close-out Form.

► Next, notify Perkins borrowers (See the Perkins Liquidation Procedures).

► Assign Perkins loans to the Department (See the Perkins Liquidation Procedures and the Perkins Assignment Procedures).

► Once all loans are assigned, complete Phase 3 of the Intent and Closeout Form by entering the school's current cash on hand balance. The Federal disbursement portion of the school's remaining assets is calculated in Phase 3.

► Once you have remitted the Federal disbursement share (See the Instructions for Returning Federal Perkins Loan Program Funds to the Department), complete Phase 4 of the Intent and Closeout Form by entering FISAP data that reflects the final close-out activities. This includes the repayment of fund capital to the Federal government, the repayment of fund capital to the school, the final cash on hand balance (which should be zero after the Federal/institutional split of the fund), and the final loan totals as indicated on the form.

► A Perkins close-out audit is also required. Please see the Perkins Liquidation Procedures for specific instructions regarding the close-out audit.

When liquidation is complete, your school will receive an official Perkins Liquidation Completion Letter from the Department.

Figure 2-Perkins Liquidation Home Page (Note check mark at first bullet: School has submitted the Intent to Liquidate)
Perkins Liquidation Intent and Closeout Form

The Intent and Closeout Form is available from within the Perkins Liquidation Module and is divided into four phases. These are explained individually within this document.

Figure 3 - Example: 4 Phases of Perkins Liquidation Intent and Closeout Form

The following explanations use the example of a school that has not yet begun the liquidation process or contacted FSA to begin the process.
Phase 1. Automated Intent

When a school decides to liquidate its Federal Perkins Loan portfolio, the first step is to submit their intent by clicking on the Submit Intent button. When a school clicks the Intent and Closeout Form link for the first time, only Phase 1 Automated Intent is displayed.

![Phase 1. Automated Intent screen](image)

Figure 4 - Phase 1. Automated Intent screen

When a school clicks the Submit Intent and Begin Process button, a confirmation is displayed. Clicking Yes confirms and submits the school's intent to liquidate. Clicking No returns to the Phase 1 Automated Intent screen.

![Automated Intent confirmation display](image)

Figure 5 - Automated Intent confirmation display
Once the Intent to Liquidate is submitted, a timestamp is displayed that indicates that the Intent was submitted, the user ID, and the date and time. A confirmation email is sent to the Financial Aid Administrator as indicated on the most recent FISAP and Phases 2 and 3 of the form are then displayed.

![Perkins Liquidation Intent Closeout Form](image)

**Figure 6 - Phase 1. Timestamp and Phase 2. and Phase 3. are displayed**
Phase 2. Latest Reported FISAP Data

Phase 2 of the Intent and Closeout Form displays data from the school’s most recently submitted FISAP. This section indicates exactly where on the FISAP the data is pulled.

If a school completes a change request to correct any of these data fields their most recently submitted FISAP or submits another annual FISAP, the new data is always reflected here as well as on the FISAP.

If the data displayed in this section needs to be corrected, it must be corrected on the FISAP.

NOTE: Data is never submitted directly into this section of the Intent and Closeout Form.

Figure 7 - Phase 2. Latest Reported FISAP Data

Phase 3. Automated Federal-Institutional Distributional Share Calculation

FSA monitors each school's progress in completing the Perkins Loan Assignment process and reporting Perkins records to NSLDS. When both of these processes are complete, FSA records the Total OPB + interest required to purchase remaining loans. At that point the school is required to enter the Current Cash on Hand balance.
Data entry on the closeout form is the same as when a school completes its FISAP, no commas or decimal points. When a dollar amount is requested, use whole dollars only. Do not report cents. The electronic system will not accept cents. Round to the nearest dollar. For example, report $175 if the actual amount in your records is $175.49. Report $176 if the actual amount in your records is $175.50.

The amount entered in the Current Cash on Hand Balance is edited against the previously reported Cash on Hand on the FISAP. If the amount is significantly less than previously reported, the edit displayed at the top of the screen and an explanation is required in the text box displayed at the bottom of the Phase 3 section of the form.

NOTE: The character limit for the explanation is 3373 characters including spaces. If the explanation exceeds the character limit, the explanation is not saved and the edit does not allow the entry for the Current Cash on Hand balance.
Upon entering the explanation and clicking the Submit button, a confirmation box is displayed. A school confirms the explanation and to proceed by clicking Yes. Clicking No returns to the edit and explanation.

Once confirmed:

- A timestamp is displayed at the bottom of the Phase 3 fields that indicates that the Current Cash on Hand balance was submitted, the user ID, and the date and time.
- The Federal Share Owed the US Department of Education is calculated.
- And, Phase 4 is displayed but not yet open for data entry.
Figure 12 - Phase 3. Timestamp is displayed and Phase 4. is displayed but not yet open for data entry

If there is a Federal Share Owed, an automated email is sent from the eCB system (CBFOB@ed.gov) to the school and the Department of Education’s (ED’s) official letter indicating that the Federal Share Owed is posted to the school’s eCB Self-Service page under Acknowledgements.

**Explanation of Calculated Fields in Phase 3 of the Perkins Intent and Closeout form**

**Calculated Net FCC (FCC minus repayment of fund capital to federal government):**

This field is calculated using Part III, Section A, Field 27 minus Field 28 from the latest FISAP

**Calculated Net ICC (ICC minus repayment of fund capital to school):**

This field is calculated using Part III, Section A, Field 29.3 minus Field 30.3.

**Current Cash on Hand balance:**

This field is entered by the school

**Total OPB + interest required to purchase remaining loans:**

This field is calculated and entered by FSA after all Perkins Loans have been assigned and all NSLDS records for these loans have been submitted.

**Total Cash on Hand Asset:**

This field is the total of the fields Current Cash on Hand Balance plus Total OPB + interest required to purchase remaining loans.

**Federal Share Owed the US Department of Education:**

The calculation for this field is: 

\[
\frac{(\text{net FCC})}{(\text{Net FCC} + \text{Net ICC})} \times \text{Total Cash on Hand Asset}
\]
Phase 4. Final Closeout

If there is no Federal Share Owed, or once a school’s remittance of Federal Share Owed has been verified, the fields in Phase 4 are available for data entry.

This phase of the process streamlines the final step in the liquidation process as it takes the place of the official submission of the final FISAP by the school. When a school submits its data in Phase 4, it affirms that any remaining cash asset was properly repaid and its Perkins Fund closed. Repayments of fund capital to federal government (line 28) and school (line 30.3) should include previously reported amount plus any additional final payment made as a result of liquidation and closeout. The school also enters and affirms that all Perkins Loans have been accounted for—fully retired, purchased, or assigned.

Figure 13 - Phase 4. data entry

Upon entering the data and clicking the Submit button, a confirmation box is displayed. A school confirms the data entry and to proceed by clicking Yes. Clicking No returns to the edit and explanation.

Figure 14 - Phase 4. data confirmation

Once confirmed, a timestamp is displayed at the bottom of the Phase 4 fields that indicates that the Final Closeout Report was submitted, the user ID, and the date and time.
The final requirement for the Federal Perkins Loan Program Liquidation is the closeout audit. Specific instructions regarding the audit are provided in the Perkins Liquidation Procedures available on the IFAP website under Campus-Based Processing Information.

After the closeout audit is received and reviewed, FSA validates that the Perkins Liquidation is complete and an email message is sent from the eCB system (CBFOB@ed.gov) the school that the Department’s official Perkins Liquidation Letter of Completion is posted to the school’s eCB Self-Service page under Acknowledgements.
When the process is complete, the school has liquidated its Federal Perkins Loan portfolio and the Perkins Liquidation module is no longer available on the eCB left-side menu because it is no longer participating in the Federal Perkin Loan program.

![Image of eCB left-side menu after school has completed Perkins Liquidation](image-url)

*Figure 17 - eCB left-side menu after school has completed Perkins Liquidation*
APPENDIX C: Perkins Loan Assignment System (PLAS) User Guide

Perkins Loan Assignment System (PLAS) User Guide

Visit https://efpls.com to view or download the PLAS User Guide