

# Sample Perkins Master Promissory Note (MPN)

## FEDERAL PERKINS LOAN MASTER PROMISSORY NOTE

Loan Type

Section A: Borrower Section	
1. Name (last, first, middle initial) and Permanent Address (street, city, state, zip code)	2. Social Security Number
	3. Date of Birth (mm/dd/yyyy)
	4. Home Area Code/Telephone Number
	5. Driver's License Number (List state abbreviation first)
6. School Name & Address (street, city, state, zip code)	7. Annual Interest Rate
	5%

Name of borrower

[Any bracketed clause or paragraph may be included at option of institution.]

### Terms and Conditions: (Note: Additional Terms and Conditions follow on subsequent pages)

**APPLICABLE LAW** - The terms of this Federal Perkins Loan Master Promissory Note (hereinafter called the Note) and any disbursements made under the Note shall be interpreted in accordance with Part B of Title IV of the Higher Education Act of 1965, as amended (hereinafter called the Act), as well as Federal regulations issued under the Act. All sums advanced under the Note are subject to the Act and Federal regulations issued under the Act.

**REPAYMENT** - I am obligated to repay the principal and the interest that accrues on my loan(s) to the above-named institution (hereinafter called the School) over a period beginning 9 months (or sooner if I am a Less-Than-Half-Time Borrower) after the date I cease to be at least a half-time student at an institution of higher education or a comparable School outside the United States approved by the United States Department of Education (hereinafter called the Department) and ending 10 years later, unless I request in writing that my repayment period begin sooner. I understand that the School will report the amount of my installment payments, along with the amount of this loan to at least one national credit bureau. Interest on this loan shall accrue from the beginning of the repayment period. My repayment period may be shorter than 10 years if I am required by my School to make minimum monthly payments. My repayment period may be extended during periods of deferment, hardship, or forbearance and I may make graduated installments in accordance with a schedule approved by the Department. I will make my installment payments in equal monthly, biweekly, or quarterly installments as determined by the School. The School may round my installment payment to the next highest multiple of \$5. (I will make a minimum monthly repayment of \$40 (or \$30 if I have outstanding Federal Perkins Loans made before October 1, 1992 that included the \$30 minimum payment option or outstanding National Direct Student Loans) in accordance with the Minimum Monthly Payment Section of the Terms and Conditions contained on the reverse side of this document.)

**LATE CHARGES** - The School may impose late charges if I do not make a scheduled payment when due or if I fail to submit to the School on or before the due date of the payment, a properly documented request for any of the forbearance, deferment, or cancellation benefits as described below. No late charges may exceed 20 percent of my monthly, biweekly, or quarterly payment. The School may add the late charges to principal the day after the scheduled payment was due or include it with the next scheduled payment after I have received notice of the charge, and each notice is sent before the next installment is due.

**FORBEARANCE, DEFERMENT, OR CANCELLATION** - I may apply for a forbearance, deferment, or cancellation on my loan. During an approved forbearance period, payments of principal and interest, or principal only, may be postponed or reduced. Interest continues to accrue while my loan is in forbearance. During an approved deferment period, I am not required to make scheduled installment payments on my loan. I am not liable for any interest that might otherwise accrue while my loan is in deferment. If I meet the eligibility requirements for a cancellation of my loan, the institution may cancel up to 100 percent of the outstanding principal loan amount. Information on eligibility and application requirements for forbearance, deferment, and cancellation is provided on page 2 through 4 of this Note. I am responsible for submitting the appropriate request on time, and I may lose my benefits if I fail to file my request on time.

**DEFAULT** - The School may, at its option, declare my loan to be in default if (1) I fail to make a scheduled payment when due; (2) I fail to submit to the School, on or before the due date of a scheduled payment, documentation that I qualify for a forbearance, deferment, or cancellation; or (3) I fail to comply with the terms and conditions of this Note or written repayment agreement. The School may assign a defaulted loan to the Department for collection. I will be ineligible for any further Federal student financial assistance authorized under the Act until I make arrangements that are satisfactory to the School or the Department to repay my loan. The School or the Department shall disclose to credit bureaus organizations that I have defaulted and all other relevant loan information. I will lose my right to defer payments and my right to forbearance if I default on my loan. The School or the Department may accelerate my defaulted loan. Acceleration means that the School or the Department demands immediate payment of the entire unpaid balance of the loan, including principal, interest, late charges, and collection costs. I will lose my right to receive cancellation benefits for services that is performed after the date the School or the Department accelerated the loan.

**CHANGE OF STATUS** - I will inform the School of any change in my name, address, telephone number, Social Security Number, or driver's license number.

**AUTHORIZATION** - I authorize the School, the Department, and their respective agents and contractors to contact me regarding my loan request or my loan(s), including repayment of my loan(s), at the current or my former number that I provide for my cellular phone or other wireless device using automated telephone dialing equipment or artificial or pre-recorded voice or text messaging.

**PROMISE TO PAY** - I promise to pay the School, or a subsequent holder of the Note, all sums disbursed under the terms of this Note, plus interest and other fees which may become due as provided in this Note. I understand that multiple loans may be made to me under this Note. I understand that by accepting any disbursements issued at any time under this Note, I agree to repay the loans. I understand that such loans are separately enforceable based on a true and exact copy of this Note. I understand that I may cancel or reduce the amount of my loan by not accepting or by returning all or a portion of any disbursement that is issued. If I do not make any payment on my loan under this Note when it is due, I promise to pay all reasonable collection costs including attorney fees, court costs, and other fees. I will not sign this Note before making the entire Note, even if I am told that I am not required to read it. I am entitled to an exact copy of this Note. This loan has been made to me without security or endorsement. My signature certifies I have read, understood, and agree to the terms and conditions of this Note.

I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MASTER PROMISSORY NOTE AND THAT I MUST REPAY SUCH LOANS.

Borrower's Signature

Date

Note Date

\* Since this is a MPN, original loan amounts are not shown.  
FSA reports must supplement this note.