Federal Perkins Loan

The Federal Perkins Loan Program is a program established by the government to provide low-interest loans to help students receive the required financials needed for postsecondary education. The United States currently has over 1,800 participating postsecondary institutions that allow students to pursue these federal loans.

As a general rule of thumb, loans that are cancelled will generally see the schools get reimbursed 100 percent by the government and in return, they must reinvest the money back in the school's revolving loan fund. The money in the program comes mainly from newly appropriated FCC contributions and loan cancellation payments, institutional matching contributions equaling at least one-third of the FCC contribution, and school-level collections on prior-year student loans.

A student is eligible for a Perkins loan if the U.S. Department of Education determines that the financial need meets their standard formula. This formula evaluates the information presented on a student's FASFA and proceeds to determine the EFC (expected family contribution). The primary factors in this formula include the student's income, the parents' income, the family's household size, and the number of family members currently enrolled in postsecondary institutions (fancy name for colleges and universities). The EFC on the other hand, is the sum of a percentage of net income, a percentage of net assets, and a combination of assessment rates and allowances that vary per each individual applicant.

To be considered for The Federal Perkins Loan Program, one must file a FASFA and wait to receive the Student Aid Report to see what options are available to you. Additionally, your institution will also receive an Institutional Student Information Record which will allow them to grant you loans according to the data.

Apply for a Federal Student Loan here