

# Perkins Loan Assignments - PASSING THE BUCK

Presented by:  
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Rechelle Brown, Coast Professional, Inc.



# A Little About CSU East Bay



CALIFORNIA STATE  
UNIVERSITY  
EAST BAY

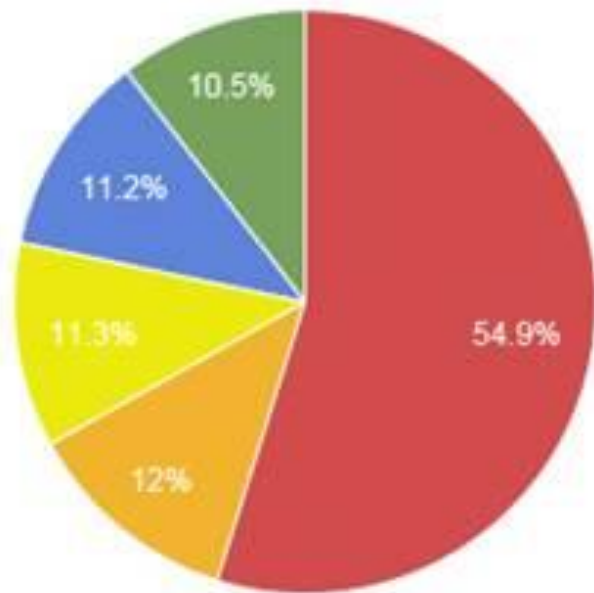


CALIFORNIA STATE  
UNIVERSITY  
EAST BAY

- Founded in 1957 as California State University, Hayward – one of the 23 CSU campuses
- Located in Southern Alameda County, Hayward – 23 Miles from San Francisco International Airport
- Name changed from CSU, Hayward to CSU, East Bay in 2005
- Accredited by the Western Association of Schools and Colleges
- Academic programs – Undergraduate, Graduate, and Doctorate in Education
- 4 Colleges
  - The College of Arts, Letter & Social Sciences
  - The College of Business and Economics
  - The College of Education and allied Studies
  - The College of Science
- Over 110 majors and minors offered

## Popular majors – Business Administration, Liberal Studies, Computer Science, Communication, and Art:

### MOST POPULAR FIELDS OF STUDY



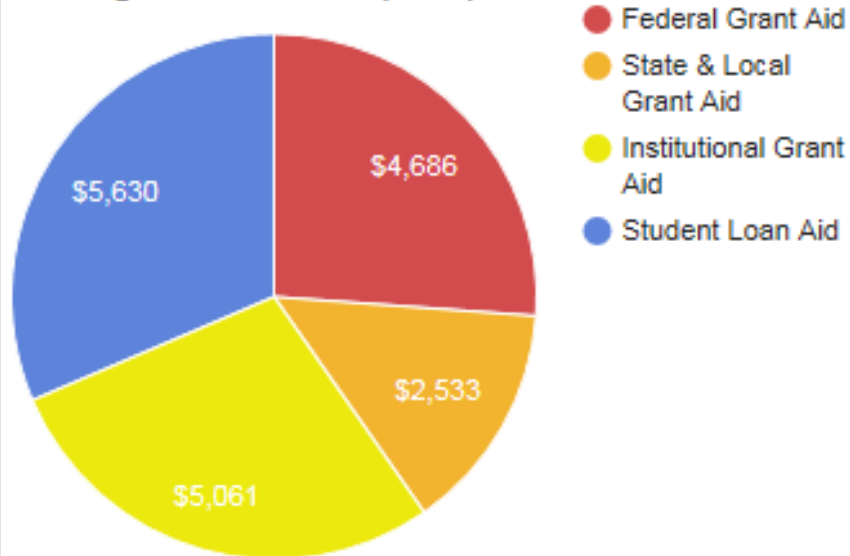
- Business Administration and Management, General
- Health Services/Allied Health/Health Sciences, General
- Registered Nursing/Registered Nurse
- Psychology, General
- Criminal Justice/Safety Studies

## STUDENT FINANCIAL AID DETAILS

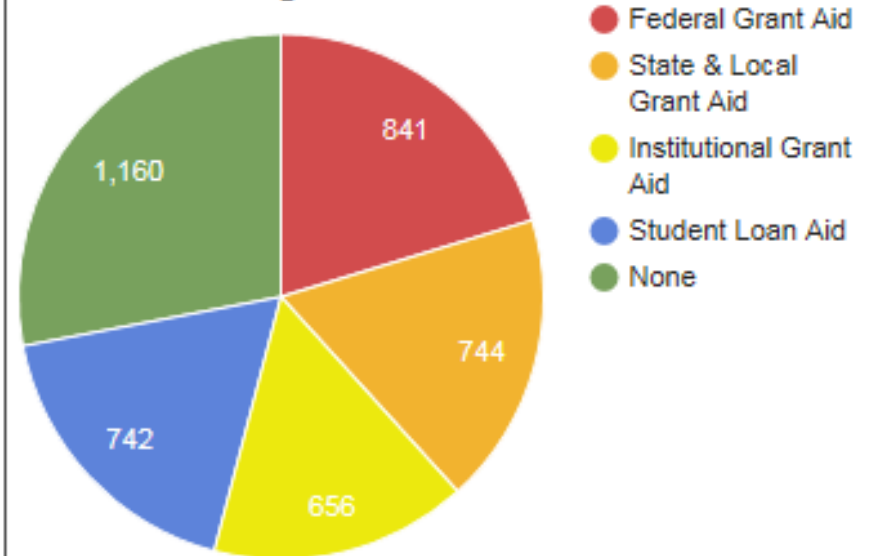
Ranks 4626th for the average student loan amount.

Secrets to getting the best scholarships and financial aid in California.

### Average Aid Amount (USD)



### Attendees using Financial Aid



# CSU East Bay Process

- ECSI – Billing Service Provider
- New loan advances: Monthly data Extract from Peoplesoft to ECSI
- Paper folder for each new debtor
- Perkins loan disbursements: batch process handled by Financial Aid office
- E-sign for MPN – Accounting Technician reviews loan references
- Perkins loan refunds – twice a week

- Exit Business Process when student graduates
- Exit letter sent 3 weeks prior to student's last quarter
- Hold placed on student's account to force contact
- Contact debtor by phone, in person or e-mail:
  - Payment Options
  - Rehabilitation
  - Forbearance/Deferment/Cancellation
  - Payment Plan
  - Default





- Collection efforts by ECSI
- Monthly report to monitor debtor status
- Cycle through 3 collection agencies
- Letter to debtor to notify loan to be assigned to ED
- Borrowers have 15 days to respond
- Prepare and submit assignment package if no response



# Perkins Assignments and the SFA Handbook



Perkins Assignment criteria is included in Volume 6 of the SFA Handbook in Chapter 5 – Perkins Loan Billing, Collection, and Default

<http://ifap.ed.gov/fsahandbook/attachments/1516FSAHbkVol6Ch5.pdf>

Electronic Announcement on 3/30/16 notified that Perkins Loan Assignment Guide is now available on the Campus-Based Processing Information Page

<http://ifap.ed.gov/eannouncements/033016FedPerkinsLoanAssignLiquidGuideAvailOnIFAP.html>



Browser address bar: <http://www.ifap.ed.gov/ifap/cbp.jsp> Federal Student Aid - IFAP: ... x

Suggested Sites: Obama: Libya was 'wo... home\_\_ CollectionAgencyTraining

# Federal Student Aid

An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of  
the AMERICAN MIND®



- Home
- Getting Started
- What's New
- Calendar
- iLibrary
- Training
- Help
- Feedback

Search:

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- My IFAP
- System & Processing Links - Application
  - System & Processing Links - Programs
  - System & Processing Links - Transmission
  - Participation Links - Application

## Campus-Based Processing Information



The Campus-Based Programs include the Federal Perkins Loan, Federal Work-Study, and Federal Supplemental Educational Opportunity Grant programs. These programs are administered through the Electronic Campus-Based (eCB) System.

Operational communications and guidance specific to the Campus-Based Programs are categorized under four basic areas - Campus-Based Electronic Announcements and Letters, Campus-Based Deadlines, FISAP Form and Instructions, and FISAP Technical Reference. To access each area, click on the applicable box below. In addition, related resource information is provided on the right side of this page.

### Alert!

- [New Perkins Assignment and Liquidation Guide](#)
- [FWS Community Service Waiver Requests Due April 25, 2016](#)

### Contact Information

- [Campus-Based Call Center](#)

### Perkins Excess Liquid Capital

## Perkins Fund Assignment Procedures

<http://ifap.ed.gov/cbpmaterials/attachments/FederalPerkinsLoanAssignmentProcedures.pdf>

## Perkins Fund Liquidation Procedures

<http://ifap.ed.gov/cbpmaterials/attachments/FederalPerkinsLoanLiquidationProcedures.pdf>

# Due Diligence and Assignments



If normal billing procedures are exhausted and a borrower is unresponsive, a first effort to collect is required. This may be done by the institution or by a third party collection agency.

A second collection effort may be made using the institution's personnel or a different collection firm, or the school must submit the account to the Department for Assignment.

If the loan is not assigned, a yearly effort to collect is required until the loan is resolved.

# Pass the Buck or Not?

## Pros and Cons of Assignments



### Benefits of passing the buck:

- Reduced servicing expenses
- Relief from reporting requirements
- Reduced audit exposure and liability with fund liquidation
- Availability of staff to work on collection of other receivables

### Consequences of passing the buck:

- Does not replenish Perkins fund, which reduces ability to make future loans
- May incur expense for assignment package prep
- Reduces benefits to future borrowers in certain fields
- Loss of Institutional Capital Contribution

# A Perkins Loan is eligible for assignment if:

- Loan has been accelerated
- Due diligence has been completed, including at least a first level collection effort
- The total to be assigned is greater than \$25.00, including principal, interest, late charges and collection costs.

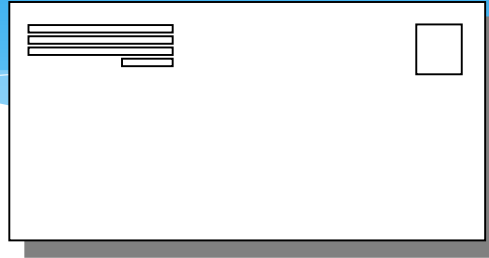




**Loans may not  
be assigned if:**

- Loan was discharged in bankruptcy
- Loan was litigated (unless the judgment has been entered and is assigned to the Department)
- Loan is canceled due to death of a borrower

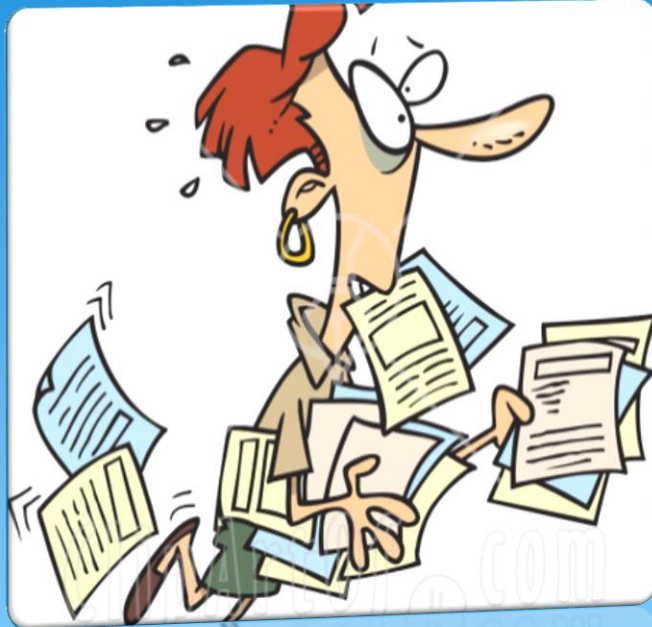
# Notification to Borrowers



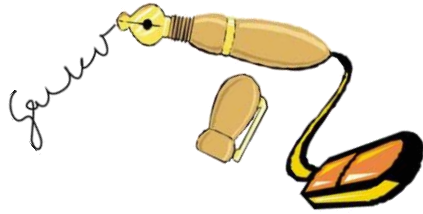
- Schools must notify borrowers of pending assignment at least 90 days prior to assignment
- Payments received after certification date must be forwarded to the Department unless the assignment is rejected
- Borrowers should be referred to the Department's Customer Service Center and not the central office
- Credit bureau(s) must be updated



# What documentation is required to prepare a Perkins loan default assignment?



- Submission Package Manifest
- Institutional Certification Form OMB 1845-0048
- Borrower Loan and Information OMB 1845-0048
- Promissory Note, MPN or e-MPN (Original or certified copy)
- Certified copy of judgment, if applicable
- Bankruptcy documents
- Due Diligence documentation



- For e-signed MPN's, school's most recent audit must verify that the e-sign process meets ED's e-sign standards
- Copy of the repayment schedule
- Complete statement of the payment history
- Copies of all approved requests for deferment and/or cancellation
- Copy of the acceleration notice to the borrower showing the effective date of the acceleration and the total amount due

# Documentation that MAY be required:

- Evidence that the loan has been recalled from collection agency or other firm
- Copies of all pleadings filed or received for borrower who filed a petition in bankruptcy
- Certified copy of any judgment order entered on the loan
- Due diligence certification



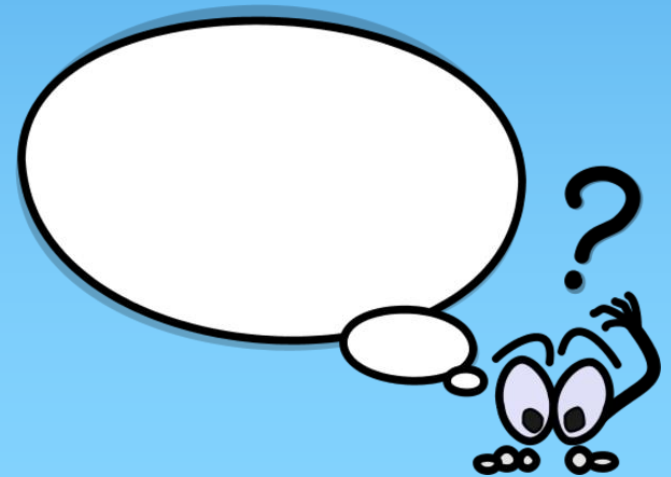
# Reasons to Assign:

Default

Closed School

Fund Liquidation

Total & Permanent Disability



According to the Paperwork Reduction Act of 1995, no persons are required to respond to collection information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1845-0048. The time required to complete this information collection is estimated to average 30 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to U.S. Department of Education, Washington, D.C. 20202-4651. If you have comments or concerns regarding the status of your individual submission of this form, write directly to Federal Student Aid, U.S. Department of Education, Operations Services, Processing Division, Perkins Loan Assignments, 50 Beale Street, Suite 8601, San Francisco, CA 94105.

**OMB Number 1845-0048**  
**Form Approved**  
**Expiration Date: 11/30/2015**

**Federal Perkins Loan Program/NDSL  
 Assignment Form: Institutional Certification**

The borrower(s) named on the attached manifest received Federal Perkins Loan Program, National Direct Student Loan Program, or National Defense Student Loan Program loan(s) authorized under Title IV, Part E, of the Higher Education Act of 1965, as amended, or authorized under Title II of the National Defense Education Act. The institution is assigning all rights and title under such note or agreement to the United States Department of Education, without recompense as provided under Section 463(a)(5), 20 U.S.C. 1087cc.

**SECTION A - INSTITUTIONAL INFORMATION**

1. Name of Institution		2. OPEID Number	
3. Street Address of Institution			
4. City	5. State	6. ZIP	

**SECTION B - CERTIFICATION**

I understand that if I knowingly make a false statement or misrepresentation on this form in the course of assigning loans to the United States Department of Education, I am subject to a fine of up to \$10,000 or imprisonment of up to five (5) years or both under provisions of the United States Criminal Code, 18 U.S.C. 1001.

7. Typed Name of Authorized Institutional Official		8. Telephone Number	
9. Typed Title of Authorized Institutional Official		10. Alternate Contact Person	
11. Signature of Authorized Institutional Official		12. Certification Date (MM/DD/YYYY)	

**SECTION C - MANIFEST**

**Instructions:** Attach a manifest to this form listing the loans that are being assigned. The institution name and OPEID Number must appear at the top of each page of the manifest. The manifest must be in the following format:

Borrower's Name and Social Security Number	Loan Type	Interest Rate	Total Amount Outstanding (Section D, Item # 37)	Date of First Disbursement
--	-----------	---------------	---	----------------------------

Under "Loan Type" indicate P for Perkins Loans, I for National Direct Student Loans, and E for National Defense Student Loans. If a borrower received loans of different types and/or interest rates, the loans must be assigned as separate loans and listed on the manifest as separate loans, regardless of how they were reported to NSLDS. **NOTE: "Date of First Disbursement" for each loan listed on the manifest must match the date of first disbursement initially reported to NSLDS. See Detailed Instructions.**

OMB 1845-0048  
 Institutional Certification  
 Form (Exp. 11/30/2015)

# Sample Manifest

## SUBMISSION PACKAGE MANIFEST

Name of Institution

OPE ID #

Borrower's Name	Social Security Number	Loan Type	Interest Rate	Total Amount Outstanding (Section D, Item #37)	Date of First Disbursement
HOLMES, SHERLOCK	123-45-6789	P	5.0%	\$7,654.32	8/21/2007
KENT, CLARK	987-65-4321	I	3.0%	\$1,234.56	9/22/1992
PAN, PETER	111-22-3333	E	3.0%	\$4,321.01	10/12/1978

**Federal Perkins Loan Program/NDSL  
Assignment Form: Borrower and Loan Information**

OMB Number: 1845-0048  
Form Approved  
Expiration Date: 11/30/2015

**SECTION A - BORROWER INFORMATION**

1. Current or Last Known Name (Last, First, MI)		2. Previous Name(s) (Optional)	
<input type="text"/>		<input type="text"/>	
3. Social Security Number	4. Date of Birth (MM/DD/YYYY)	5. Departure Date (MM/DD/YYYY)	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
6. Current or Last Known Permanent Address (Number and Street)		7. Telephone Number	
<input type="text"/>		<input type="text"/>	
8. City	9. State	10. Zip Code	
<input type="text"/>	<input type="text"/>	<input type="text"/>	

**SECTION B - COSIGNER INFORMATION (Complete if applicable)**

11. Name of Cosigner of Loan (Last, First, MI)		12. Social Security Number of Cosigner (optional)	
<input type="text"/>		<input type="text"/>	
13. Current or Last Known Permanent Address of Cosigner (Number and Street)		14. Telephone Number	
<input type="text"/>		<input type="text"/>	
15. City	16. State	17. Zip Code	
<input type="text"/>	<input type="text"/>	<input type="text"/>	

**SECTION C - LOAN INFORMATION: HISTORICAL**

18. Type of Loan (Check appropriate space) Perkins <input type="radio"/> Direct <input type="radio"/> Defense <input type="radio"/>		19. Applicable Interest Rate on the Loan %	
<input type="text"/>		<input type="text"/>	
20. Date of Last Disbursement (MM/DD/YYYY)	21. Date Last Grace Period Ended or Will End (MM/DD/YYYY)	22. Date of Default, if defaulted (MM/DD/YYYY)	
<input type="text"/>	<input type="text"/>	<input type="text"/>	

23. Was this loan ACCELERATED? (Check appropriate space)  
If YES, provide date of acceleration. If NO, provide date this loan became fully mature (due-in-full). In the case of a non-defaulted loan that has neither been accelerated nor matured (such as a total and permanent disability discharge or if the schools closing out the program), check "No" and leave the date blank.

YES  NO  Date (MM/DD/YYYY)

24. Was this loan LITIGATED? (Check appropriate space) If YES, provide effective date and attach judgement.

YES  NO  Date (MM/DD/YYYY)

25. Borrower Repayment Status, if loan is not in default.

In School  Grace Period  Deferment  Repayment

26. Reason this loan is being assigned or has been determined uncollectible. (Check appropriate space)

Hardship  Incarceration  Unemployment  Liquidation

Refusal to Pay  Address Unknown  Total and Permanent Disability  Other (Please Explain Below)

OMB 1845-0048  
Borrower and Loan  
Information Form  
(Exp. 11/30/2015)

**SECTION D - LOAN INFORMATION: FINANCIAL**

27. Disbursement Amount	28. Principal Amount Adjusted	29. Principal Amount Repaid
<input type="text"/>	<input type="text"/>	<input type="text"/>
30. Principal Amount Cancelled	31. Principal Amount Outstanding (27 less 28, 29, & 30)	32. Collections Costs Repaid
<input type="text"/>	<input type="text"/>	<input type="text"/>
33. Interest Repaid	34. Interest Cancelled	35. Interest Due
<input type="text"/>	<input type="text"/>	<input type="text"/>
36. Collection Costs/Penalty/Late Charges	37. Total Amount Outstanding (Sum of Items 31, 35, and 36)	
<input type="text"/>	<input type="text"/>	

**SECTION E - CANCELLATION INFORMATION (See Instructions)**

Cancellation(s) Granted for this Loan

38. Type of Cancellation	39. Percentage Rate	40. Principal Cancelled	41. Interest Cancelled	42. Cancellation Service Start Date (MM/DD/YYYY)	43. Cancellation Service End Date (MM/DD/YYYY)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>



# Passing Inspection

Promissory Note/MPN/e-MPN

Original Document or certified copy of the original

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:



# It's important to remember...

If you assign loans made under the Perkins MPN, you must maintain disbursement records that document the principal amount loaned until the loan is paid off or otherwise satisfied. You may include disbursement records with the assignment submission. Record retention requirements pertain to any documentation related to the loan that is not included with the assignment package.



# Alternate Documentation Requirements

- Copies of front and back of disbursement checks or vouchers
- Original legal judgment with the appropriate transfer statement
- Missing or defective promissory notes or missing or incomplete bankruptcy or judgment information require formal approval by an appropriate Department official.



Specific questions pertaining to the procedures for assignment of accounts or pertaining to the correction of rejected submissions, can be directed to **[PerkinsLoanAssignments@ed.gov](mailto:PerkinsLoanAssignments@ed.gov)**.

Written inquiries should be mailed to:

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



For assignment verification of accounts submitted more than 60 days previously, please email **[PerkinsLoanAssignments@ed.gov](mailto:PerkinsLoanAssignments@ed.gov)**. In order to verify the submission, the email must include the student(s) name(s) and Social Security number(s) in an encrypted file.

Missing or defective promissory notes or missing or incomplete bankruptcy or judgment information require formal approval by an appropriate Department official. All such explanations should be prepared in writing, with the following signature block provided:

**Approved/Not Approved \_\_\_\_\_ Assignments Specialist  
Operation Services, Processing Division Perkins Loan Assignments**

Explanations must reference the specific account(s) affected by the documentation omission or irregular nature. The explanatory letter should be submitted to **PerkinsLoanAssignments@ed.gov**.

A returned approving email will constitute formal approval.



# Pass the buck to:

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



All assignment packages should be double-packaged in opaque materials with the “To” and “From” addresses included on both the inner and outer packages. May be sent via USPS, FedEx or UPS. Send with delivery confirmation required.

**The package should NOT identify the sensitivity of the contents.**

# ECSI reviews packages for required documentation.

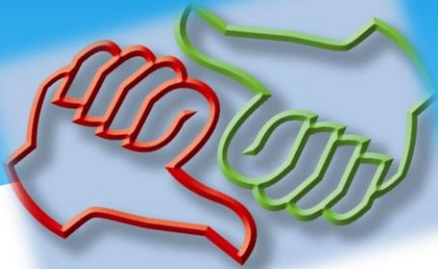
Schools are notified of any missing required information by phone or e-mail to attempt to resolve the deficiency. At least two attempts are made.



If the deficiency is not resolved, the assignment will be rejected and returned to the school after 8 days with a report explaining the return reason.



# Pass/Fail



## Approved Assignments

- Official Acceptance Notice will be provided to institution – Report NCLM710B
- Retain report
- Provide copy to loan servicer
- Reports/notices will be mailed to the address in the institution's program participation agreement

## Rejected Assignments

- Deficient documentation or corrections may be made on rejected forms with changes initialed for resubmission
- Corrections must be made in black or blue ink with each change initialed
- Verify changes do not impact other dates
- Recalculate certification date and interest if resubmission is more than 45 days after return date



# Process for the Cure

For rejects based on mandatory due diligence not performed, cure process must be completed by institution

- Locate borrower
- Sent letter regarding default status of loan
- Send borrower copy of signed promissory note and new repayment schedule to sign and return to school
- Initiate collection procedures and complete entire process
- Provide documentation that process has been completed using label “Due Diligence Using Cure Process”





# Not to be judgmental....

If a school litigates a Perkins loan and is awarded a judgment, the loan may be assigned if the judgment is assigned to the US Department of Education. Some states require the assignment to be filed with the court.

For states not requiring assignment of judgment through the court, the school may assign the judgment by having an official authorized to release assets sign the statement to assign the judgment.

“All rights, title and interest of the undersigned in this judgment are hereby assigned to the United States of America.”

# After the buck is passed:

Schools may obtain confirmation of paid in full status for borrowers requesting transcripts or other services by contacting the School Customer Service Center at:

Phone: 866-313-4130

E-mail: [clientsupport@efpls.com](mailto:clientsupport@efpls.com)

Borrowers may call:  
866-313-3797



# TPD Assignments

Submit all TPD assignment packages to:

US Department of Education  
121 South 13<sup>th</sup> Street, Suite 201  
Lincoln, NE 68508

Refer to June 12, 2013 Electronic Announcement  
<http://ifap.ed.gov/eannouncements/attachments/PerkinsTPDDischargeAssignmentProceduresAttach.pdf>

[www.disabilitydischarge.com](http://www.disabilitydischarge.com)

School notifications are through the SAIG mailbox only.  
Nelnet is responsible for TPD assignments and processing.



# Borrower Correspondence and Payments after Default Assignment

## Mail Correspondence to:

US Department of Education  
ECSI Federal Perkins Loan  
Servicer  
100 Global View Drive, Suite 800  
Warrendale, PA 15086

\*Include borrower name, SSN  
and loan type

## Mail Payments to:

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

\*Include borrower name, SSN  
and loan type



# Perkins Loan Assignment System (PLAS)

Schools may now submit Perkins Loan assignments to the Department electronically

<http://ifap.ed.gov/eannouncements/attachments/092115PerkinsLoanAssignmentSystemSystemAvailandUserAccessInfoAttach.pdf>

- Submit single or multiple loans
- Securely upload documentation
- Search, view and edit submitted assignment information
- Upload prom notes (NOTE: Hard copies must still be mailed)
- Request system access at <https://efpls.com>

ECSI SERVICE REQUESTS



Providing superior technology, custom-designed solutions and world class customer service since 1972.



**STUDENTS**

Are you a Student or Borrower? Use the Student/Borrower page to access and manage your account, make a payment, view transaction history, and more.

**FSA**

Are you an FSA Employee? Use the FSA Employee page to gain access to administrative features of the services that ECSI provides to you.

**PLAS**

Are you a Perkins Loan School? Use the Perkins Loan Assignment System page to access and manage the Perkins loans that are in the process of being assigned to PSA.



**Welcome**

Please log in below to access and manage your account.

LOG IN TO ACCESS YOUR ACCOUNT

OPEID	Login ID	Password	Security Code
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

[LOG IN](#)

Access Request Form

Need Help Logging In?

Users Technical Guide



- A DPA and PPA Official's signature are required as well as a user's FSA security token serial number to complete the access request.
- School will need to designate an Institutional Administrator. This person can then request access for as many PLAS users as the school needs.
- School will need OPEID, User Name, Password and Security Token Code to access PLAS for each login attempt.



Completing an Institutional Form will create a batch to which individual assignments can be added.

## Assignment Certification Form Administration

**Message:**

**New Batches:**  
[\[Create a New Batch\]](#)  
[\[Upload a Batch from a File\]](#)

### Search Options:

Batch Number:  [\[find\]](#)  
 SSN:  [\[find\]](#)  
 Last Name:  [\[find\]](#)  
 Date Range: From: / /  To: / /  [\[find\]](#)

[Create Batch Report](#)

Batch #	Entry Date	Forms Statistics	Form Alerts	Actions	Select
681	09/02/2015	Show		View Manifest	Select
682	09/02/2015	Show		Select Action	Select
684	09/02/2015	Show		View Institutional Form	Select
685	09/02/2015	Show		View Manifest	Select
688	09/11/2015	Show		Edit Institutional Form	Select
				Delete an Existing Batch	Select
				Execute Batch Validation	Select
				Print Manifest	Select

**Count: 5**

- Assignment forms in PLAS mimic the paper 1845 form.
- Upload supporting documents
- Execute Batch Validation
- Print the Manifest
- All documentation must be mailed within five (5) business days once the assignment status has been changed to **Submitted**.





Questions?

Please contact us if we can be of  
assistance to you

Flo Olney

510-885-3767

[flo.olney@csueastbay.edu](mailto:flo.olney@csueastbay.edu)

Rechelle Brown

318-307-3810

[rbrown@coastprofessional.com](mailto:rbrown@coastprofessional.com)

Corky Mobley

714-673-7578

[cmobley@coastprofessional.com](mailto:cmobley@coastprofessional.com)