



THE FEDERAL PERKINS LOAN PROGRAM Past, Present, and Future

Over the past year, Perkins Loans have received unprecedented support in Congress. However, the program's expiration and subsequent revival has led to some confusion. Examining the past, present, and future of Perkins Loans offers insights on the status and potential path forward for the program.

Past: The Perkins Loan Program is the nation's oldest student loan program. It even predates the *Higher Education Act*. However, as the growth of Stafford and PLUS Loans in the FFELP and Direct Loan Programs continued, policymakers have often viewed Perkins as duplicative of the larger student loan programs. The Clinton, Bush, and Obama Administrations have all proposed to eliminate the Perkins Loan Program, but Congress has always rejected those proposals.

Present: In 2015, the Perkins Loan Program temporarily expired. It was revived, with some small changes, at the end of the year. It was not a push by a President that led to the program's temporary expiration. Rather, it was the deadline of a pre-existing budget provision calling for the federal share of Perkins Loans to be returned to the US Treasury. In reviving the program, Congress extended this deadline by two years and added some new requirements for Perkins Loans.

The new law allows for loans to existing graduate students through September 30, 2016 and eligible undergraduate students through September 30, 2017, with subsequent disbursements through the end of the associated academic year, as long as the loan is disbursed prior to September 30. [The Department of Education provided guidance on The Perkins Loan Extension Act of 2015](#), which included five (5) new disclosure requirements. COHEAO has developed a [model disclosure form](#) for all schools to use in order to be in compliance with the new requirements, which is available on our website.

Future: The Perkins Loan Program will again face expiration in 2017. The *Higher Education Act* (HEA) is a vehicle for continuation and potential reforms, but the timetable for reauthorization of the HEA is uncertain. However, there is unprecedented support on Capitol Hill as demonstrated through the Congressional battle of 2015. COHEAO and Perkins advocates nationwide, together with our champions in Congress are well positioned to leverage the momentum and fight for the long-term continuation of the Perkins Loan Program.

COHEAO has created and presented the [Campus Flex Proposal](#) as a way to modernize the program and integrate it into the simplification of the financial aid process. The main component of Campus Flex is to streamline all campus-based programs into one single appropriation. The institution then determines how funds are allocated to the programs based on the needs of their students, offering flexibility and control at the institution. COHEAO is working within the higher education community and with Perkins Loan champions in Congress to encourage the adoption of Campus Flex or other plans to maintain and improve the Perkins Loan Program.

What You Can Do to Support Perkins Now: Follow the new disclosure and graduate student requirements and make sure your institution is lending **ALL** available Perkins Loan funds in the 2016-2017 and 2017-2018 academic years. Our positive momentum and Congressional support will evaporate if schools are not lending their funds. Perkins supporters should also keep their colleagues in other relevant offices on campus (i.e. financial aid, government relations, president's office, etc.) apprised on the future of the program.