

ECSI

Government Assignments, A to Z

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ECSI

Government Assignments, A to Z

- Department's Communication
- Auditing Your Portfolio
- Completing the Assignment Forms
 - Institutional Certification Form
 - Borrower and Loan Information Form
- Supporting Documentation
 - Providing the Right Supporting Documentation
 - Tips & Tricks to Avoid Rejections

DEPARTMENT'S COMMUNICATION

Department's Communication – Aug 27, 2021

- Section 463(a)(4)(A) of the Higher Education Act of 1965, as amended, states that if an institution knowingly failed to maintain an acceptable collection record for a defaulted Federal Perkins Loan (Perkins Loan), the Secretary may require the institution to assign the loan to the Department of Education (the Department) without recompense.
- **As part of the wind down of the Perkins Loan Program, the Secretary requires all institutions to assign to the Department all Perkins Loans that have been in default for more than two years.** Unless the institution has documentation that these borrowers are making payments toward their Perkins loan debt, you are required to assign all Perkins Loans that have been in default for more than two years to the Department.
- **Institutions will have through June 30, 2022 to either assign or purchase loans that have been in default for more than two years.** If an institution determines that borrowers who have defaulted Perkins Loans are making payments, the institution may notify the Department that documentation showing an acceptable collection record is available upon request. If the documentation is requested and reviewed by the Department, the institution will be notified whether these loans are required to be assigned, purchased, or if the institution may continue collecting on these loans..

Department's Communication – Aug 27, 2021

- In early 2022, the Department will assess all active Perkins loan assignment activity. If it is determined that an institution has shown insufficient effort assigning, purchasing, or providing acceptable collection records to the Department for review, a warning letter may be sent to the institution's financial aid office as well as to the campus CEO/President reminding them of the requirement to take action on these loans by the June 30, 2022 deadline.
- For subsequent Fiscal Operations and Application to Participate (FISAP) reporting periods beyond June 30, 2022, institutions will be required to assess their Perkins Loan portfolio to determine if additional accounts have exceeded two years in default status. The institution will then have until the end of the subsequent FISAP reporting period to assign those accounts. For example, a Perkins loan reaches 24 months in default status without collections activity in December 2022. The institution will have until June 30, 2024 to assign or purchase the loan.
- If between the time the loan reached the 24-month default status and reaching the deadline to assign, the institution is able to collect payments on the loan, they may continue collecting on the loan in lieu of assigning or purchasing it. The Department will continue to monitor all school Perkins Loan assignment activity in subsequent years to ensure continued compliance with this requirement.
- Any Perkins Loans required to be assigned that have been placed with a Private Collection Agency (PCA) must be returned to the institution so that the institution may meet the required assignment deadlines.

Department's Communication

If the institution, or the firm it engages, pursues collection activity for up to 12 months and is not successful in converting the account to regular repayment status, or the borrower does not qualify for deferment, postponement, or cancellation on the loan, the institution shall:

1. Litigate in accordance with the procedures in § 674.46;
2. Make a second effort to collect the account as follows:
 - a) If the institution first attempted to collect the account using its own personnel, it shall refer the account to a collection firm.
 - b) If the institution first attempted to collect the account by using a collection firm, it shall either attempt to collect the account using institution personnel, or place the account with a different collection firm; or
3. Submit the account for assignment to the Secretary in accordance with the procedures set forth in § 674.50.

Department's Communication

Purchasing a Perkins Loan Ineligible for Assignment

- 34 CFR 674.50(g) of the Federal Perkins Loan Program regulations states that the Secretary may require that the institution reimburse its program Fund for the entire portion of the outstanding principal balance (OPB) plus any accrued interest on a loan the Department determines is unenforceable.
- An institution reports school-purchased loans on its FISAP in Part III, Section A the same as it would report funds it received from a borrower's repayment of a loan balance. The amount deposited into the program Fund to purchase the loans is reported in cash-on-hand (Field 1.1). The portion of the total cash deposited that is principal is reported as loan principal collected (Field 5) and the portion that is interest is reported as interest income on loans (Field 31).

What is a Healthy Perkins Portfolio?

Section C. Cumulative Repayment Information as of June 30, 2019

Status of Borrowers as of June 30, 2019

	Amount (a)	Number of Borrowers (b)	Amount Lent (c)	Principal Amount Outstanding (d)
1.1. Borrowers whose loans are fully retired		_____	\$ _____	
1.2. Loans that have been purchased	\$ _____			
2. Borrowers whose loans were assigned to and officially accepted by the U.S. Department of Education as of June 30, 2019 (Note: Field 2 equals the sum of Field 2.1 plus Field 2.2.)		_____	\$ _____	\$ _____
2.1. Assignments due to default or liquidation		_____	\$ _____	\$ _____
2.2. Assignments due to total and permanent disability discharge		_____	\$ _____	\$ _____
3. Total borrowers not in repayment status		_____		\$ _____
4. Borrowers on schedule in repayment status		_____		\$ _____
5.1. In default less than 240 days (monthly installments) or less than 270 days (other installments)		_____	\$ _____	\$ _____
5.2. In default 240 days or more (monthly installments) or 270 days or more (other installments), up to 2 years		_____	\$ _____	\$ _____
5.3. In default more than 2 years but not more than 5 years		_____	\$ _____	\$ _____
5.4. In default more than 5 years		_____	\$ _____	\$ _____

Department's Focus for the assignment of defaulted loans.

AUDITING YOUR PORTFOLIO

Auditing Your Portfolio

- Review school's collection process
 - Ensure every account is receiving annual collection attempt
 - Skip trace addresses twice per year
- Clean-up and reconcile portfolio
 - Ensure all required due diligence was completed
- Clean-up NSLDS Error report
 - Request reconciliation file, clean up any inconsistencies

Auditing Your Portfolio

- Identify oldest accounts for potential assignment and review file for required documents
 - Promissory notes, bankruptcy and judgment documents (if applicable), repayment history
 - If documents missing, identify alternative documents and have pre-approved
- Determine electronic or paper process
- Set reasonable timeline and account quantity

Loans That Cannot Be Assigned

- Small Balance Loans
 - Total amount outstanding is less than \$25.00 unless the borrower has multiple Defense, Direct, or Perkins loans that when combined equal more than \$25.00
- Borrower is deceased (Death Status Conflict Report – NSLDS)
- Total and Permanent Disability (TPD)

Types of Assignments

- What is Selective Assignment?
 - *Selective Assignment* is when a school has determined that they have exhausted all of their available collection options on its defaulted Perkins Loans and they no longer want to maintain the defaulted loan in their Perkins Loan portfolio. 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. When a school is doing selective assignment, it means that they are only assigning some of their Perkins Loans.
- What is Liquidation?
 - *Liquidation* means that a school is unable or unwilling to service the loans in their school's Perkins Loan portfolio. This could mean that they are voluntarily withdrawing from the Perkins Loan program, their eligibility to participate in Title IV programs or the Perkins Program have been terminated by the Department of Education, or the school is closing or has closed. When a school is liquidating, it means they are transferring all of their Perkins Loans, regardless of whether they are current, delinquent, or defaulted, to the Department.

Selective Assignment Process

- **Step 1:** The school needs to notify the borrower prior to assigning the loan. This notification can come directly from the school or through the school's third-party loan servicer.
- **Step 2:** Assigning the loans. We will cover all of the duties in the more detail during the assignment procedures review.
 - *NOTE: During this process, some of the loans will be accepted and can be transferred to the Department. However, some may not be accepted for various reasons. If a loan is not accepted, the school must purchase the loan, meaning that they must reimburse the Perkins Program fund with funds that come directly from the school.*
- **Step 3:** The last step for the school is to report the assigned or school purchased loans to NSLDS.

Liquidation Assignment Process

- **Step 1*:** Notify the Department of their intent to liquidate. This is done through the Department's Common Origination and Disbursement (COD) System.
- **Step 2:** The school must notify the third-party servicer that the school uses to service their Perkins Loan portfolio of their intent to liquidate.
- **Step 3:** The school needs to notify the borrower prior to assigning the loan. This notification can come directly from the school or through the school's third-party loan servicer.
- **Step 4:** Assigning the loans. We will cover all of the duties in the more detail during the assignment procedures review.
 - *NOTE: During this process, some of the loans will be accepted and can be transferred to the Department. However, some may not be accepted for various reasons. If a loan is not accepted, the school must purchase the loan, meaning that they must reimburse the Perkins Program fund with funds that come directly from the school.*
- **Step 5:** Update NSLDS, perform that Perkins closeout audit, remit the federal share of the Perkins funds, complete their final FISAP data, and submit the official liquidation completion letter.

Sample Borrower Notification

SAMPLE NOTIFICATION – DEFAULTED LOAN

[Date]

From: [School – Email/Address]

To: [Borrower Name]

[Borrower – Email/Address]

Dear Federal Perkins, NDSL, or Defense Loan Borrower:

At this time, the **[school name]** has decided to transfer your Federal Perkins (or NDSL or Defense) Loan to the U.S. Department of Education (the Department) for collection. This letter is the last you will receive from the **[school name]**. You must continue making your payments to **[school name or servicer name]** at this time.

Once the assignment of your Federal Perkins Loan(s) to the U.S. Department of Education is complete, you will receive notification from ECSI, the new **Federal Perkins Loan Servicer – ECSI**. ECSI will provide information on where to send your payments as well as contact information for assistance.

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 U.S. Department of Education.

Once the assignment of your Federal Perkins Loan(s) to the U.S. Department of Education is complete, you will receive notification from the **“Federal Perkins Loan Servicer - ECSI.”** ECSI will provide information on where to send your payments as well as contact information for assistance. **You must continue making your payments to [school name or servicer name] until you receive the notification from the Department’s Federal Perkins Loan Servicer, ECSI.**

ASSIGNMENT FORMS

Assigning the Loans

Perkins Loan assignments must include the following documents:

- Institutional Certification Form (OMB 1845-0048)
- Assignment Manifest
- Borrower and Loan Information Form (OMB 1845-0048)
- Original Promissory Note or Perkins Master Promissory Note (MPN)
- Repayment History (also called Payment History)
- Disbursement Records (if applicable)
- Judgment Information (if applicable)
- Bankruptcy Information (if applicable)

Institutional Certification Form

A school is required to complete only one Institutional Certification page of the Perkins Assignment Form for each assignment submission package (also referred to as a batch).

<p>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.</p>		<p>OMB Number 1845-0048 Form Approved Expiration Date: 12/31/2021</p>	
<p>Federal Perkins Loan Program/NDSL Assignment Form: Institutional Certification</p>			
<p>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.</p>			
<p>SECTION A - INSTITUTIONAL INFORMATION</p>			
1. Name of Institution	2. OPEID Number		
3. Street Address of Institution			
4. City	5. State		
6. ZIP			
<p>SECTION B - CERTIFICATION</p>			
<p>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.</p>			
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)		
<p>SECTION C - MANIFEST</p>			
<p>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:</p>			
Borrower's Name and Social Security Number	Loan Type	Interest Rate	Total Amount Outstanding (Section D, Item # 38)
<p>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.</p>			

Filling Out the Institutional Certification Form

SECTION A - Institutional Information

1. Name of Institution
 - a. *Must be as shown under your OPEID with the Department*
2. OPEID Number
3. Institution's Street Address
4. Institution's City
5. Institution's State
6. Institution's Zip Code

Filling Out the Institutional Certification Form

SECTION B - Certification

7. Typed Name of Authorized Official

- a. Should be someone who is authorized to certify information on behalf of the school
- b. Vice President of Finance, Director Student Loan Accounts, etc.

8. Telephone Number

9. Typed Title of Authorized Official

10. Name of Alternate Contact

11. Signature of Authorized Official

12. Certification Date

- a. Should match the date the school reported to NSLDS when transferring loans

Assignment Manifest

SECTION C – Manifest

You must include a manifest for each assignment that is included in the submission package (batch).

The manifest must include the following:

- Borrower's Name and Social Security Number
- Loan Type ("P" for Perkins Loans)
- Interest Rate
- Total Amount Outstanding

Assignment Manifest

Loans Needing Split Due to Fiscal Year Error

After 2008, loans are now required to be split per FISCAL YEAR (July to June).

Example: If a student has two (2) disbursements with the first being in April of 2016 and another in September of 2017, these need to be two (2) separate loans, requiring them to be listed separately on the manifest and requiring two (2) separate Borrower and Loan Assignment forms.

Borrower and Loan Information Form

(OMB 1845-0048)

The Borrower and Loan Information page of the Perkins Assignment Form should be completed for each loan included in the submission package (batch).

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

OMB Number: 1845-0048
Form Approved
Expiration Date: 12/31/2021

SECTION A - BORROWER INFORMATION

1. Current or Last Known Name (Last, First, MI) 2. Previous Name(s) (Optional)

3. Social Security Number 4. Date of Birth (MM/DD/YYYY) 5. Departure Date (MM/DD/YYYY)

6. Current or Last Known Permanent Address (Number and Street) 7. Telephone Number

8. City 9. State 10. Zip Code

SECTION B - COSIGNER INFORMATION (Complete if applicable)

11. Name of Cosigner of Loan (Last, First, MI) 12. Social Security Number of Cosigner (optional)

13. Current or Last Known Permanent Address of Cosigner (Number and Street) 14. Telephone Number

15. City 16. State 17. Zip Code

SECTION C - LOAN INFORMATION: HISTORICAL

18. Type of Loan (Check appropriate space) Perkins Direct Defense 19. Applicable Interest Rate on the Loan % 20. Date of First Disbursement

21. Date of Last Disbursement (MM/DD/YYYY) 22. Date Last Grace Period Ended or Will End (MM/DD/YYYY) 23. Date of Default, if defaulted (MM/DD/YYYY)

24. 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)

25. Was this loan LITIGATED? (Check appropriate space) If YES, provide effective date and attach judgement.
YES NO Date (MM/DD/YYYY)

26. Borrower Repayment Status, if loan is not in default.
In School Grace Period Deferment Repayment

27. 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)

SECTION D - LOAN INFORMATION: FINANCIAL

28. Disbursement Amount 29. Principal Amount Adjusted 30. Principal Amount Repaid

31. Principal Amount Cancelled 32. Principal Amount Outstanding (28 less 29, 30, & 31) 33. Collections Costs Repaid

34. Interest Repaid 35. Interest Cancelled 36. Interest Due

37. Collection Costs/Penalty/Late Charges 38. Total Amount Outstanding (Sum of Items 32, 36, and 37)

SECTION E - CANCELLATION INFORMATION (See Instructions)

Cancellation(s) Granted for this Loan

39. Type of Cancellation	40. Percentage Rate	41. Principal Cancelled	42. Interest Cancelled	43. Cancellation Service Start Date (MM/DD/YYYY)	44. 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"/>
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<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Filling Out the Assignment Form

SECTION A - Borrower Information

1. Current or Last Known Name of the Borrower (Last, First, MI) **REQUIRED**
2. Previous Name(s)
3. Borrower's Social Security Number **REQUIRED**
4. Borrower's Date of Birth **REQUIRED**
5. Borrower's Departure Date From the School **REQUIRED**
6. Borrower's Current or Last Known Permanent Address (Number and Street) **REQUIRED**
7. Borrower's Current or Last Known Phone Number **REQUIRED**
8. Borrower's City **REQUIRED**
9. Borrower's State **REQUIRED**
10. Borrower's Zip Code **REQUIRED**

Filling Out the Assignment Form

SECTION B - Cosigner Information

11. Name of Cosigner of Loan (Last, First, MI)
12. Cosigner's Social Security Number
13. Cosigner's Current or Last Known Permanent Address (Number and Street)
14. Cosigner's Current or Last Known Phone Number
15. Cosigner's City
16. Cosigner's State
17. Cosigner's Zip Code

Filling Out the Assignment Form

SECTION C - Loan Information: Historical

18. Type of Loan **REQUIRED**

19. Applicable Interest Rate **REQUIRED**

- Must match the interest rate reflected on the promissory note or subsequent interest rate changes due to litigation or presence of a judgment

20. Date of First Disbursement **REQUIRED**

- Must match the disbursement date listed on the promissory note
- If MPN, must match the disbursement history
- Must match information provided to NSLDS
- If a borrower's Perkins Loans were reported to NSLDS as one loan, report the date of the first disbursement of the first loan the borrower received.

Filling Out the Assignment Form

SECTION C - Loan Information: Historical

21. Date of Last Disbursement **REQUIRED**

- The date of last disbursement must be prior to the departure date unless an explanation is attached detailing why it is not.

22. Date Last Grace Period Ended or Will End **REQUIRED**

- Must show that the full grace period began after the departure date

Filling Out the Assignment Form

SECTION C - Loan Information: Historical

23. Date of Default

- Date following the day on which payment was due and not received
- In cases where the borrower was considered to be in default but made a few additional payments under a repayment arrangement, the date of default becomes the day following the day on which the first rescheduled payment was due and not made.
- In cases where the borrower made sporadic payments outside of a repayment arrangement, the date of default remains the original date of default.
- In the case of TPD for a loan that has not defaulted, leave the field blank.
- If the loan is not in default, leave this field item blank.

Filling Out the Assignment Form

SECTION C - Loan Information: Historical

24. Acceleration Yes/No Checkbox and Acceleration Date

- If the loan has matured, check No and enter the date the loan matured
- In the case of non-defaulted loans that have not been accelerated nor matured (such as TPD or school closing), check No and leave the date blank

25. Litigation Yes/No Checkbox and Litigation Date

26. Borrower Repayment Status (In School, Grace Period, Deferment, Repayment)

27. Reason the Loan is Being Assigned

- Hardship, Incarceration, Unemployment, Liquidation, Refusal to Pay, Address Unknown, Total and Permanent Disability, Other with Explanation

Filling Out the Assignment Form

SECTION C - Loan Information: Historical

28. Disbursement Amount **REQUIRED**

- Original amount loaned to the borrower as indicated on the promissory note or disbursement records

29. Principal Amount Adjusted **REQUIRED**

- Any amount refunded or never disbursed that would reduce the principal
- If none, enter \$0.00

30. Principal Amount Repaid **REQUIRED**

- Total amount repaid and credited to principal as of the certification date
- If none, enter \$0.00

Filling Out the Assignment Form

SECTION D - Loan Information: Financial

31. Principal Amount Cancelled **REQUIRED**

– If none, enter \$0.00

32. Principal Amount Outstanding (28 less 29, 30, 31)
REQUIRED

Filling Out the Assignment Form

SECTION D - Loan Information: Financial

33. Collection Costs Repaid **REQUIRED**

- This includes any collection fees that were repaid
- If none, enter \$0.00

34. Interest Repaid **REQUIRED**

- If none, enter \$0.00

35. Interest Cancelled **REQUIRED**

- If none, enter \$0.00

36. Interest Due **REQUIRED**

- If none, enter \$0.00

Filling Out the Assignment Form

SECTION D - Loan Information: Financial

37. Collection Costs/Penalty/Late Charges **REQUIRED**

- Include any collection costs that have been assessed on the loan
- Include any penalty or late charges assessed
- Include any costs of activities such as skip-tracing, litigation, address searches, and generation of letters
- If none, enter \$0.00

38. Total Amount Outstanding (Sum of Items, 32, 36, and 37) **REQUIRED**

Filling Out the Assignment Form

SECTION E - Loan Information: Financial

39. Type of Cancellation

40. Percentage Rate

41. Principal Cancelled

42. Interest Cancelled

43. Cancellation Service Start Date

44. Cancellation Service End Date

NOTE: The sum of the amounts in Field 41 must equal the amount in Field 31.

NOTE: The sum of the amounts in Field 42 must equal the amount in Field 35.

NOTE: You do not need to submit the cancellation documentation with the assignment, but you must retain it for three (3) years from the date the loan is assigned.

SUPPORTING DOCUMENTS

Original Promissory Note or Perkins Master Promissory Note (MPN)

- Original Perkins promissory notes are required for all loans, if available.
- All promissory notes submitted for assignment must be valid legal instruments.
- The 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 substantiated by institutional disbursement records.
- Perkins Loan promissory notes that were signed electronically are acceptable.
- If the original promissory note is no longer available and only a photocopy exists, the photocopy (front and back) can be used and must be certified as a true copy by an appropriate school official such as the Controller or Vice President of Finance.

Original Promissory Note or Perkins Master Promissory Note (MPN)

- Must have a borrower signature for disbursements and/or rights and responsibilities
- Must have the name of the college or university
- Must be dated
- Must show the interest rate
- Must be signed before the loan is disbursed unless it is
 - Signed within 30 days of the disbursement
 - School sends a letter providing correct disbursement dates or explaining why the note was signed late

Original Promissory Note or Perkins Master Promissory Note (MPN)

- True and Certified Copy Statement

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

Disbursement Records

- If disbursements were made under a Perkins MPN, disbursement records must be provided.
- Disbursement records must show the dates and amounts of each disbursement.

Repayment History

- Also referred to as Payment History
- A copy of the student's loan repayment history (financial profile of the account) must be provided.
- The repayment history must include a record of all payments made
 - On a payment-by-payment basis
 - How individual payments were applied (such as what portion of the payment was applied to principal, what portion was applied to interest, etc.)
 - Requests for cancellation, forbearance or deferment, if applicable
- Must be less than 60 days old to be considered current and acceptable
- Required whether payments were made or not
 - If no payments were made, a letter can be sent stating that there were not payments made.

Judgment Information

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 Department until the litigation is completed and a judgment is rendered for the institution and against the borrower or endorser or the judgment is denied. If the institution chooses to assign the loan immediately, the legal action will need to be withdrawn from the courts.

- Must transfer the judgment to the Department and provide original or certified true copy of the judgment
- Some states require that school to notify the courts of the transfer and file the transfer at the courthouse to make the judgment enforceable.
- Judgments made prior to April 9, 1991, are no longer active and do not have to be provided.
- There is no FSA approval process for missing judgment documentation, meaning that the loan cannot be assigned and the school must purchase the loan.

Bankruptcy Information

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.
 - In addition to all documents related to the bankruptcy filing received, the school must provide documentation that it requested the bankruptcy court to 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 loan can be discharged in the bankruptcy, the account cannot be assigned.
- If the court rules that the loan cannot be discharged in the bankruptcy, this documentation should be included with the assignment.
- If the bankruptcy is dismissed, the dismissal paperwork should be included with the assignment.

Bankruptcy Information

- If the school receives a petition for bankruptcy **after** the account was sent for assignment, the school should notify ECSI Federal Perkins Loan Servicer so the bankruptcy can be posted.
 - Send a secure message to productionprocessing@efpls.ed.gov
- A discharge in bankruptcy prevents further enforcement of this loan against a borrower.
 - If a cosigner is listed, they are still legally responsible for the debt.
 - The institution should perform due diligence requirements with respect to the cosigner before attempting to assign the loan.

Common Errors

- Disbursement dates do not match NSLDS or history
- Section D does not total correctly.
- Default date is after the acceleration date
- Date of last grace is after the default date
- Reason the loan is being assigned

Common Errors

- Judgment documents need to have the figures broken down
- Prom note was not signed
- Missing prom notes
- Missing all pages of the prom note
- Prom note is a copy, we need a true certified copy letter

Common Errors

- Prom note has altered dates/other info
- Date of first disbursement is prior to the date the prom note was signed
 - 0 to 30 days accepted
 - 31 day to 6 months requires a letter of explanation
 - 6+ months requires FSA approval

FSA Approval for Missing or Questionable Information

- Assignments with missing or questionable information can be sent to the Department of Education for approval via email to perkinsloanassignments@ed.gov.
- Additional documentation that is approved by the FSA must be included with the assignment along with the approval email from the Department.
- Examples of items that can be sent to the FSA are SSN irregularities, missing or altered promissory notes, or missing histories due to extreme circumstances.

Important Contact Information

ECSI Federal Perkins Loan Servicer

Phone: 1-844-301-2620

Email: clientsupport@efpls.ed.gov

Assignment Packages and Correspondence should be mailed to:

ECSI Federal Perkins Loan Servicer

100 Global View Drive, Suite 800

Warrendale, PA 15086

Payments received after loans have been accepted for assignment should be mailed to:

U.S. Department of Education

ECSI Federal Perkins Loan Servicer

P.O. Box 6200-31

Portland, OR 97228-6200

Need assistance with your assignments?

ECSI offers **Standard** and **Enhanced Government Assignment Packet** services.

Contact your Client Relationship Coordinator (cstompanato@ecsi.net or lallworth@ecsi.net) or Dedicated Client Support Rep to find out how we can further assist with the assignment process.

QUESTIONS?