

DEPARTMENT OF EDUCATION

**Office of Postsecondary Education;
Federal Perkins Loan Program,
Expanded Lending Option;
Institutional Participation Agreement**

AGENCY: Department of Education.

ACTION: Notice of deadline of submission of institutional agreement for participation in the Federal Perkins Loan Program Expanded Lending Option.

SUMMARY: This notice establishes the deadline for submission of the "Institutional Agreement For Participation In the Federal Perkins Loan Program Expanded Lending Option (ELO)" (ELO Participation Agreement) by those eligible institutions that elect to participate in the Federal Perkins Loan Program ELO in the 1997-98 award year (the period from July 1, 1997 through June 30, 1998).

CLOSING DATE FOR TRANSMITTAL OF ELO PARTICIPATION AGREEMENT: To ensure participation in the Federal Perkins Loan Program ELO in the 1997-98 award year, an eligible institution that elects to participate must submit its ELO Participation Agreement by August 1, 1997.

SUPPLEMENTARY INFORMATION: The Federal Perkins Loan Program provides low-interest loans to financially needy students attending institutions of higher education to help them pay their educational costs. The ELO is available for the 1997-98 award year for institutions of higher education that participate in the Federal Perkins Loan Program.

To be eligible to participate in the Federal Perkins Loan Program ELO for 1997-98, an institution must have had a Federal Perkins Loan cohort default rate of 15 percent or less as of June 30, 1996, and must have participated in the Federal Perkins Loan Program for the two previous award years (1995-96 and 1996-97). In addition, an institution must enter into a special ELO Participation Agreement with the Secretary. An institution that elects to participate in the ELO must complete, sign, date, and submit the ELO Participation Agreement by the deadline date to obtain approval.

Institutions that become Federal Perkins Loan Program ELO participants will be required to increase the Institutional Capital Contribution (ICC) to at least a dollar-for-dollar match with any portion of the 1997-98 award year Federal Capital Contribution (FCC) received. Only new FCC received on or after July 1, 1997, would be matched at the increased rate. Institutions would

not match funds received prior to July 1, 1997, at the higher rate.

Institutions that become Federal Perkins Loan Program ELO participants may make loans to eligible students at higher maximum annual and aggregate limits than is the case with nonparticipating institutions. ELO participating institutions that do not ultimately make any loans at the higher ELO levels for the 1997-98 award year must still honor the ELO Participation Agreement to deposit in the Federal Perkins Loan Program Fund an ICC at least equal to the 1997-98 award year FCC deposited into the Fund. All other administrative procedures would remain the same as for institutions not participating in the Federal Perkins Loan Program ELO.

ELO Participation Agreement Delivered By Mail: An ELO Participation Agreement delivered by mail must be addressed to the U.S. Department of Education, Student Financial Assistance Programs, Institutional Financial Management Division, Campus-Based Programs-Expanded Lending Option, P.O. Box 23781, Washington, DC 20202-0781.

An institution must show proof of mailing its ELO Participation Agreement by the closing date. Proof of mailing consists of one of the following: (1) A legible mail receipt with the date of mailing stamped by the U.S. Postal Service, (2) a legibly dated U.S. Postal Service postmark, (3) a dated shipping label, invoice, or receipt from a commercial carrier, or (4) any other proof of mailing acceptable to the U.S. Secretary of Education.

If an ELO Participation Agreement is sent through the U.S. Postal Service, the Secretary does not accept either of the following as proof of mailing: (1) A private metered postmark, or (2) a mail receipt that is not dated by the U.S. Postal Service. An institution should note that the U.S. Postal Service does not uniformly provide a dated postmark. Before relying on this method, an institution should check with its local post office. An institution is encouraged to use certified or at least first-class mail.

ELO Participation Agreement Delivered By Hand and Commercial Delivery Services: An ELO Participation Agreement delivered by hand must be delivered to the U.S. Department of Education, Student Financial Assistance Programs, Institutional Financial Management Division, Campus-Based Financial Operations Branch, 7th and D Streets, SW., Room 4714, Regional Office Building 3, Washington DC. Hand-delivered ELO Participation Agreements will be accepted between 8

a.m. and 4:30 p.m. daily (Eastern Daylight Time), except Saturdays, Sundays, and Federal holidays. An ELO Participation Agreement that is hand-delivered will not be accepted after 4:30 p.m. on August 1, 1997.

Applicable Regulations: The following regulations apply to this program:

Student Assistance General Provisions, 34 CFR part 668.

Federal Perkins Loan Program, 34 CFR part 674.

Federal Work-Study Program, 34 CFR part 675.

Federal Supplemental Educational Opportunity Grant Program, 34 CFR part 676.

Institutional Eligibility Under the Higher Education Act of 1965, as amended, 34 CFR part 600.

Federal Family Educational Loan Program, 34 CFR part 682.

New Restrictions on Lobbying, 34 CFR part 82.

Government-wide Debarment and Suspension (Non-procurement) and Government-wide Requirements for Drug-Free Workplace (Grants), 34 CFR Part 85.

FOR FURTHER INFORMATION CONTACT: For information concerning ELO Participation Agreement submissions, contact Sandra Donelson, Financial Management Specialist, Campus-Based Financial Operations Branch, Institutional Financial Management Division, Office of Postsecondary Education, 600 Independence Avenue, SW. (Room 4714, ROB-3), Washington, DC 20202-5452. Telephone: 202-708-9751.

For technical assistance concerning the Federal Perkins Loan Program ELO, contact Gail McLarnon or Sylvia R. Ross, Program Specialists, Policy Development Division, Student Financial Assistance Programs, Office of Postsecondary Education, U.S. Department of Education, Telephone: 202-708-8242. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 between 8 a.m. and 8 p.m., Eastern time, Monday through Friday.

(Catalog of Federal Domestic Assistance Numbers: 84.038, Federal Perkins Loan Program)

Dated: June 6, 1997.

David A. Longanecker,
Assistant Secretary for Postsecondary Education.

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