

**United States Department of Education
Federal Student Aid**



Electronic Perkins Note Supporting Documentation

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Executive Summary

This document contains supporting documentation for the Electronic Perkins Promissory Note (Perkins eNote). FSA will be offering this electronic Perkins Promissory Note to schools for use within their financial aid process. The Perkins eNote was developed based on requirements from FSA and Pennsylvania State University, an electronic Perkins Promissory Note pilot school. The electronic Perkins Note will allow borrowers to complete and electronically sign their promissory notes using a web browser. FSA will assist schools that are willing to offer a web-based Perkins process to their borrowers. FSA's assistance includes the development of an electronic Perkins note and community liaison for the success of a pilot program. The COHEAO (Coalition of Higher Education Assistance Organization) spearheaded and supported the Perkins eNote effort with FSA and schools.

1 Introduction

Background

The FSA CIO Office of Innovations is continuing efforts to provide customers with electronic options to traditionally paper-based transactions and business processes. The CIO Office of Innovations has been recognized for its efforts in advancing the use of electronic business processes and offering alternatives to paper-based transactions. Among the various successes, FSA has established an electronic signature capability available to its users and customers, and has implemented the E-Sign capability for both the Electronic Master Promissory Note (eMPN) as well as the Free Application for Federal Student Aid (FAFSA). FSA has also issued standards for the use of electronic signatures for its customers. The provision of an electronic means of conducting business, as an alternative to paper-based processes, can effectively reduce unit cost, increase customer satisfaction, and help achieve compliance with the legislative mandates of the E-SIGN Act and GPEA. A recent effort to examine other possible FSA business processes that can leverage the E-Sign capability has identified additional areas for investigation, including support to schools for developing an electronic process for the Federal Perkins Promissory Note.

There are four types of Perkins Notes. These are:

1. Open End Perkins Loan Promissory Note
2. Open End NDSL (National Direct Student Loan) Promissory Note
3. Closed End Perkins Loan Promissory Note
4. Closed End NDSL Promissory Note

Organization of this Document

The following information outlines the organization of this document:

- **Executive Summary**
- **Section 1³/₄ Introduction** provides an overview of the Perkins eNote.
- **Section 2³/₄ Layout** provides a visual layout of the Perkins eNote (both open and closed ended)
- **Section 3³/₄ Content** provides a list of editable and non-editable content on the Perkins eNote
- **Section 4³/₄ Data Fields** provides a list of the data fields provided on the Perkins eNotes
- **Section 5³/₄ PDF Generation** provides options for the generation of a PDF version of the Perkins eNotes
- **Section 6³/₄ Additional HTML Documents** provides generic Disclosure Information Statements and Statements of Rights and Responsibilities
- **Section 7³/₄ Access** provides information on how schools can access the Perkins eNotes and other documentation
- **Appendix A³/₄ Screen Shots of Perkins eNotes**

2 Layout

This section contains a visual layout and explanation of the Closed and Open End Perkins eNotes. Appendix A contains screen shots of each of the four Perkins eNotes.

The Layout of the Closed End Perkins and NDSL eNotes is as follows (text in purple is either a textbox or radio button and is able to be pre-populated by the school):

TITLE OF PROMISSORY NOTE			OMB Version Number & Expiration Date	
Section A:				
lastname	firstname	initial	ssnum	
street1			dob	
street2			telephone	
city	state	zip	driverslicense	
Section B:				
schoolname			borrowerstatus	5%
schoolstreet1				
schoolstreet2			loanamount	Loanperiod
schoolcity	schoolstate	schoolzip		

TERMS AND CONDITIONS:

All Terms and Conditions from Page 1 of the paper document will be displayed here.

eSign Section: Electronically Sign Perkins eNote

This section will contain message asking the borrower to review terms and conditions prior to signing the eNote. An "eSign" button will follow along with any additional information added by the school.

[eSign Perkins Note](#)

TERMS AND CONDITIONS (continued):

The remaining Terms and Conditions (from pages 2-3 of the paper document), as well as Information Notices on page 4 of the paper document (such as the Privacy Act Notice) will appear here.

The Layout of the Open End Perkins and NDSL eNotes is as follows (text in purple is either a textbox or a radio button and able to be pre-populated by the school):

TITLE OF PROMISSORY NOTE

OMB Version Number & Expiration Date

Section A:			
lastname	firstname	initial	ssnum
street1			dob
street2			telephone
city	state	zip	driverslicense
Section B:			
schoolname			borrowerstatus
schoolstreet1			
schoolstreet2			loanamount
schoolcity	schoolstate	schoolzip	

Loan Amount	Loan Period	Date Signed	Borrower's Name
<u>loanamount1</u>	<u>loanperiod1</u>	<u>datesigned1</u>	<u>borrowername1</u>
<u>loanamount2</u>	<u>loanperiod2</u>	<u>datesigned2</u>	<u>borrowername2</u>
<u>loanamount3</u>	<u>loanperiod3</u>	<u>datesigned3</u>	<u>borrowername3</u>
<u>loanamount4</u>	<u>loanperiod4</u>	<u>datesigned4</u>	<u>borrowername4</u>
<u>loanamount5</u>	<u>loanperiod5</u>	<u>datesigned5</u>	<u>borrowername5</u>
<u>loanamount6</u>	<u>loanperiod6</u>	<u>datesigned6</u>	<u>borrowername6</u>

TERMS AND CONDITIONS:

All Terms and Conditions from Page 1 of the paper document will be displayed here.

eSign Section: Electronically Sign Perkins eNote

This section will contain message asking the borrower to review terms and conditions prior to signing the eNote. An "eSign" button will follow along with any additional information added by the school.



TERMS AND CONDITIONS (continued):

The remaining Terms and Conditions (from pages 2-3 of the paper document), as well as Information Notices on page 4 of the paper document (such as the Privacy Act Notice) will appear here.

3 Content

The following text contains the implementation guidelines for the paper Perkins promissory notes. This text has been interpreted for the eNotes in the “can” and “cannot” sections below:

Format and Content

The newly revised promissory notes are legally valid documents with an OMB document number and expiration date. The new promissory notes are authorized for use through October 31, 2004. No changes to, deletions from, or additions to the prescribed language are permitted except that bracketed text may be deleted at the option of the institution. Of course, information (name, address, and telephone number) identifying the school may be printed in Section B, Item 6. Appropriate coding is also permitted (for example, bar coding to reflect the source, type, or other identification system for filing or processing) in this area. Additional bar coding is permitted in the side or bottom margins to meet requirements for individual processing systems. These coding identifiers may not be printed on the promissory notes in a way that would alter the general layout of the note. Schools may also print in the lower margin of the promissory note a reference to the type: for example, original, student copy, file copy.

Printing Instructions

The enclosed documents must be printed with black ink on white paper. The typeface, point size, and general presentation of the form may not be changed from the enclosed documents approved by ED. However, a school's identifying information located in Section B, Item 6 may be printed in another color to make the school's name and address more pronounced.

The following areas on the eNote CAN be edited by the schools:

1. Text in **Section A**, **Section B** and for the open end notes, the area below **Section B** are able to be pre-populated and/or rendered uneditable by the school. Currently, all of these fields are displayed in the form of textboxes. Field number 7 (Borrower Status) is displayed as radio buttons. The school is allowed to render all of these fields uneditable and to change them from textboxes/radio buttons to plain html text displayed on the page.
2. In the **Terms and Conditions** section, [bracketed] clauses or paragraphs may be included at option of the school.
3. The **eSign Section** (containing the eSign button) may be altered to fit the school's eSignature capabilities and for the school to add any disclaimers, information, etc., pertaining to “eSigning” the Perkins Notes.
4. The **eSign Section** may also be moved to a different location on the page in order to fit the school's eSignature process.
5. The school may add additional buttons at the bottom of the page or in the **eSign Section** to facilitate printing, viewing and saving the Perkins eNote by the borrower.

The following areas on the eNote CANNOT be edited by the schools:

1. The Layout of **Section A** and **Section B** may not be altered
2. On Open End Notes, the layout of the area below **Section B** may not be altered
3. Except as stated above, the **Terms and Conditions** sections may not be altered
4. The font, font size, colors of the page (except in the **eSign Section** of the page) may not be altered.
5. The text on the page cannot be changed (with the exception of bracketed text mentioned above)

4 Data Fields

The following data fields appear on the screen on all eNotes:

	Field Number	Field Name	Field Description	Field Type
Section A - Borrower Section	1	lastname	Last Name	Textbox
		firstname	First Name	Textbox
		initial	Middle Initial	Textbox
		street1	Street 1	Textbox
		street2	Street 2	Textbox
		city	City	Textbox
		state	State	Textbox
		zip	Zip Code	Textbox
	2	ssnum	Social Security Number	Textbox
	3	dob	Date of Birth	Textbox
	4	telephone	Area Code and Telephone Number	Textbox
5	driverslicense	Driver's License Number	Textbox	
Section B - School Section	6	schoolname	School Name	Textbox
		schoolstreet1	School Street 1	Textbox
		schoolstreet2	School Street 2	Textbox
		schoolcity	School City	Textbox
		schoolstate	School State	Textbox
		schoolzip	School Zip Code	Textbox
	7	borrowerstatus	Borrower Status	Radio Buttons
	8		Annual Interest Rate	Display
	9	loanamount	Loan Amount	Textbox
	10	loanperiod	Loan Period	Textbox

Additionally, the following data fields appear on the screen on all Open End eNotes:

	Field Number	Field Name	Field Description	Field Type
On Open End Notes Only		loanamount1	Loan Amount 1	Textbox
		loanperiod1	Loan Period 1	Textbox
		datesigned1	Date Signed 1	Textbox
		borrowername1	Borrower's Signature 1	Textbox
		loanamount2	Loan Amount 2	Textbox
		loanperiod2	Loan Period 2	Textbox
		datesigned2	Date Signed 2	Textbox
		borrowername2	Borrower's Signature 2	Textbox
		loanamount3	Loan Amount 3	Textbox
		loanperiod3	Loan Period 3	Textbox
		datesigned3	Date Signed 3	Textbox
		borrowername3	Borrower's Signature 3	Textbox
		loanamount4	Loan Amount 4	Textbox
		loanperiod4	Loan Period 4	Textbox
		datesigned4	Date Signed 4	Textbox
		borrowername4	Borrower's Signature 4	Textbox
		loanamount5	Loan Amount 5	Textbox
		loanperiod5	Loan Period 5	Textbox
		datesigned5	Date Signed 5	Textbox
		borrowername5	Borrower's Signature 5	Textbox
		loanamount6	Loan Amount 6	Textbox
		loanperiod6	Loan Period 6	Textbox
		datesigned6	Date Signed 6	Textbox
		borrowername6	Borrower's Signature 6	Textbox

5 PDF Generation

FSA and the Modernization Partner have recommended a way to generate a PDF version of the filled out Promissory Note that is viewable, savable, and printable by the borrower through their browser window. This is to dynamically populate an existing PDF Form and output it to the user as a PDF version of their promissory note. The suggested routes for this are as follows:

1. ActivePDF --- <http://www.activepdf.com/en/Products/Toolkit/Start.asp>
 - ActivePDF Toolkit can be used with ColdFusion and Active Server Pages
2. Adobe FDF Toolkit --- <http://partners.adobe.com/asn/developer/acrosdk/forms.html>
 - Toolkits exist for Java, C/C++, Perl and ActiveX

PDF Forms:

If the school chooses to use the recommended method of PDF generation requiring forms, it is suggested that they use the FSA approved forms that correspond to the Perkins eNotes. These forms and separate form data files can be found at the same website as the Perkins eNotes (see Section 6) and are called:

1. OpenEndPerkins_Form.pdf (PDF Format)
2. OpenEndPerkins_Form.fdf (Form Data Format)
3. OpenEndNDSL_Form.pdf (PDF Format)
4. OpenEndNDSL_Form.fdf (Form Data Format)
5. ClosedEndPerkins_Form.pdf (PDF Format)
6. ClosedEndPerkins_Form.fdf (Form Data Format)
7. ClosedEndNDSL_Form.pdf (PDF Format)
8. ClosedEndNDSL_Form.fdf (Form Data Format)

Each of the data fields in Sections A, B and in the open end section on these forms corresponds to the data fields on the HTML Perkins eNote. The “Signature” is merely a concatenation of the borrower’s First Name, Middle Initial and Last Name. The “Date” should be populated with the day that the borrower eSigned their promissory note.

It is also strongly recommended that the PDF version of the Perkins eNote contain some form of Transaction History of the user’s Perkins eSigning experience.

6 Additional HTML Files

If a school would like to provide an additional Statement of Rights and Responsibilities or Statement of Disclosure after the Terms and Conditions provided in the Perkins eNote, the following HTML files are provided:

- NDSLDisclosure.html (NDSL Disclosure Information Statement)
- NdslStatementOfRights.html (NDSL Statement of Rights and Responsibilities)
- PerkinsDisclosure.html (Perkins Disclosure Information Statement)
- PerkinsStatementOfRights.html (Perkins Statement of Rights and Responsibilities)

The files are in generic format and the school must update the file with the specific school name and name of financial aid office. Any text that must be replaced appears in Red font within brackets. For example:

[School Name Here] should be replaced with the school name (i.e. “Pennsylvania State University”)

[Name of Financial Aid Office Here] should be replaced with the name of the financial aid office (i.e. “Office of Financial Aid”)

7 Access

All information related to Federal Perkins Notes, including the paper and electronic versions of the Promissory Note, the Perkins eNotes and PDF Forms can be found at the following website:

<http://ifap.ed.gov/IFAPWebApp/topicListPag.jsp?p1=Federal+Perkins+Loan+Program&p2=Promissory+Note>

Information posted on this site will include:

1. This document (Perkins eNote Supporting Documentation)
2. Perkins eNote PDF Forms
3. Perkins eNote Templates (Browser v.3 Compatible)
4. Perkins eNote Templates (With Cascading Style Sheets – Browser v.4+ Compatible)
5. Generic Disclosure Information Statements and Statements of Rights and Responsibilities

Appendix A: Perkins eNote Screen Shots

Screen shots of the following Perkins eNotes appear on the following pages:

- Open End Perkins Promissory Note
- Closed End National Direct Student Loan (NDSL) Promissory Note

The Open End NDSL Note and Closed End Perkins Note have not been pictured because they appear the same as the other open and closed end notes.

Open End Perkins Promissory Note (Image 1)

Image 1.A -- Open End Perkins Promissory Note

Image 1.A displays the Promissory Note title, the OMB Number and expiration date, as well as Sections A and B, and the first of six text fields for the open end Promissory note.

FEDERAL PERKINS PROMISSORY NOTE OMB No. 1845-0081 Form Approved Expiration Date: 10/31/2004

Section A: Borrower Section

1. Name and Permanent Address			2. Social Security Number <small>999-99-9999</small>	
Last Name	First Name	MI	<input type="text"/>	
Street			3. Date of Birth <small>(mm/dd/yyyy)</small>	
<input type="text"/>			<input type="text"/>	
City	State	Zip Code	4. Area Code/Telephone Number <small>(xxx)xxx-xxxx</small>	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
			5. Driver's License Number <small>(List state abbreviation first)</small>	
			<input type="text"/>	

Section B: School Section

6. School Name and Address			7. Borrower Status		8. Annual Interest Rate	
School Name			<input type="radio"/> Half-time or Greater <input type="radio"/> Less than half-time		5%	
Street			9. Loan Amount: Amount		10. Loan Period: Period	
<input type="text"/>			<input type="text"/>		<input type="text"/>	
City	State	Zip Code				
<input type="text"/>	<input type="text"/>	<input type="text"/>				

Loan Amount
 Loan Period
 Date Signed
 Borrower's Name

Image 1.B -- Open End Perkins Promissory Note

Image 1.B displays the six text fields for the open end Promissory note as well as the beginning of the Terms and Conditions.

The screenshot shows a web browser window titled "Perkins Open End Note - Microsoft Internet Explorer". The address bar shows the file path: C:\Documents and Settings\Anita_A_Theild\My Documents\FSA\Perkins Templates\Fenn State Templates\OpenEndPerkins.html. The form contains the following fields:

Loan Amount	Loan Period	Date Signed	Borrower's Name
<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"/>

Terms and Conditions (Any bracketed clause or paragraph may be included at option of institution)

APPLICABLE LAW - The terms of this Federal Perkins Loan Promissory Note (hereinafter called the Note) and any disbursements made under this Note shall be interpreted in accordance with Part E of Title IV of the Higher Education Act of 1965, as amended (hereinafter called the Act), as well as Federal regulations issued under the Act. All sums advanced under this Note are subject to the Act and Federal regulations issued under the Act.

REPAYMENT - I am obligated to repay the principal and the interest that accrues on my loan(s) to the above-named institution (hereinafter called the School) over a period beginning 9 months (or sooner if I am a Less Than Half-Time Borrower) after the date I cease to be at least a half-time student at an institution of higher education or a comparable school outside the United States approved by the United States Department of Education (hereinafter called the Department) and ending 10 years later, unless I request in writing that my repayment period begin sooner. I understand that the School will report the amount of my installment payments, along with the amount of this loan to at least one national credit bureau. Interest on this loan shall accrue from the beginning of the repayment period. My repayment period may be shorter than 10 years if I am required by my School to make minimum monthly payments. My repayment period may be extended during periods of deferment, hardship, or forbearance and I may make graduated installments in accordance with a schedule approved by the Department. I will make my installment payments in equal monthly, bi-monthly or quarterly installments as determined by the School. The School may round my installment payment to the next highest multiple of \$5. I will make a minimum monthly repayment of \$40 (or \$30 if I have outstanding Federal Perkins Loans made before October 1, 1992 that included the \$30 minimum payment option) in accordance with the Minimum Monthly Payment Section of the Terms and Conditions contained on the reverse side of this document.

LATE CHARGES - The School will impose late charges if I do not make a scheduled payment when due or if I fail to submit to the School on or before the due date of the payment, a properly documented request for any of the forbearance, deferment or cancellation benefits as described below. No late charges may exceed 20 percent of my monthly, bi-monthly, or quarterly payment. The School may add the late charges to principal the day after the scheduled payment was due or include it with the next scheduled payment after I have received notice of the charge, and such notice is sent before the next installment is due.

FORBEARANCE, DEFERMENT, OR CANCELLATION - I may apply for a forbearance, deferment, or cancellation on my loan. During an approved forbearance period, payments of principal and interest, or principal only, may be postponed or reduced. Interest continues to accrue while my loan is in forbearance. During an approved deferment period, I am not required to make scheduled installment payments on my loan. I am not liable for any interest that might otherwise accrue while my loan is in deferment. If I meet the eligibility requirements for a cancellation of my loan, the institution may cancel up to 100 percent of the outstanding principal loan amount. Information on eligibility and application requirements for forbearance, deferment, and cancellation is provided on pages 7 and 8 of this Note. I am

Image 1.C -- Open End Perkins Promissory Note

Image 1.C displays more Terms and Conditions as well as the eSign Section of the Perkins eNote.

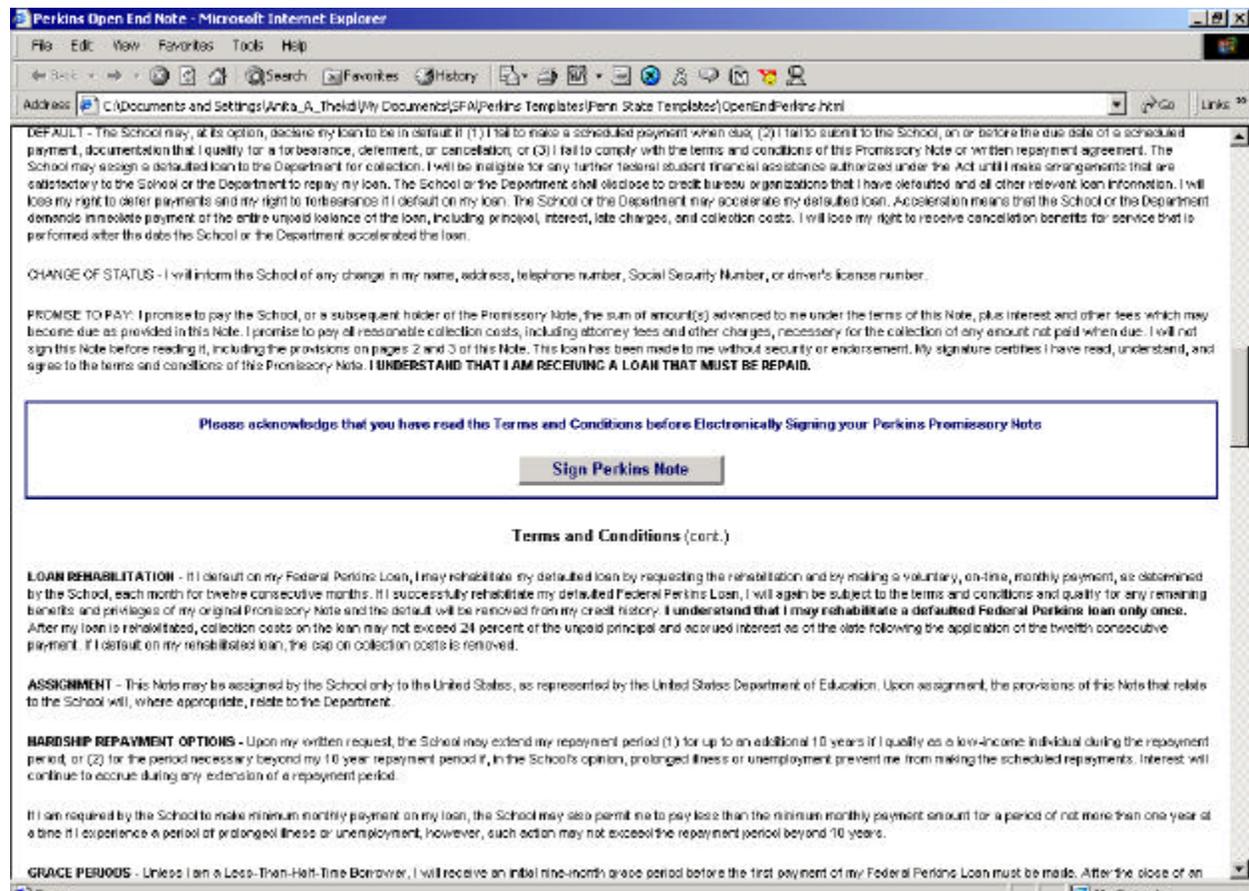
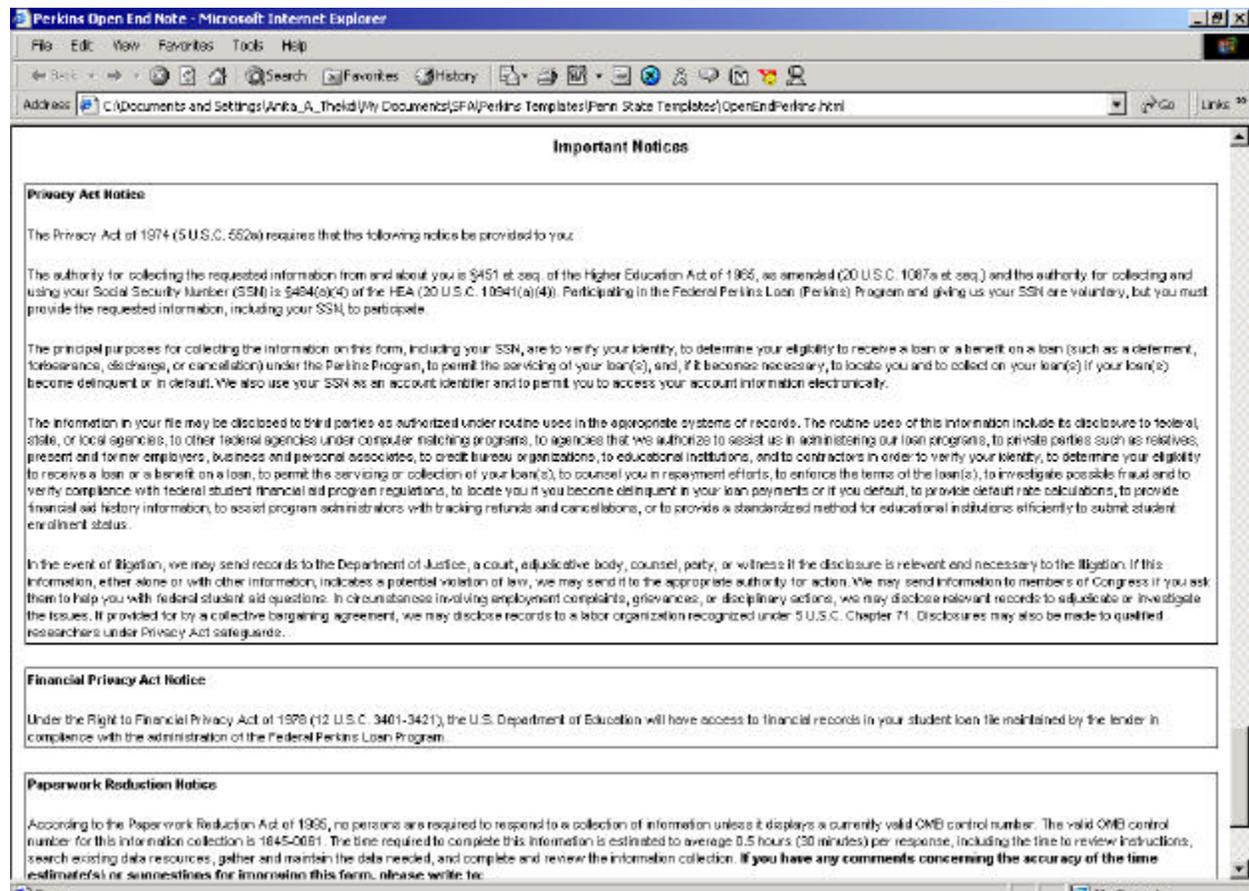


Image 1.D -- Open End Perkins Promissory Note

Image 1.D displays the Important Notice section that is displayed after the rest of the remaining Terms and Conditions (not displayed).



Closed End NDSL Promissory Note (Image 2)

There is only one screen shot of the Closed End NDSL Note. This shot displays Sections A and B of the Closed End Note. The Terms and Conditions and eSign Sections of this note are the same as on the open end note and therefore have not been pictured.

NATIONAL DIRECT STUDENT LOAN (NDSL) PROMISSORY NOTE
OMB No. 1845-0061 Form Approved Expiration Date 10/31/2004

Section A: Borrower Section

1. Name and Permanent Address			2. Social Security Number <small>(999-99-9999)</small>	
Last Name	First Name	M.I.	<input type="text"/>	
Street			3. Date of Birth <small>(mm/dd/yyyy)</small>	
<input type="text"/>			<input type="text"/>	
City	State	Zip Code	4. Area Code/Telephone Number <small>(xxx)xxx-xxxx</small>	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
			5. Driver's License Number <small>(List state abbreviation first)</small>	
			<input type="text"/>	

Section B: School Section

6. School Name and Address			7. Borrower Status		8. Annual Interest Rate	
School Name			<input type="radio"/> Half Time or Greater <input type="radio"/> Less than half-time		5%	
Street						
<input type="text"/>						
City	State	Zip Code	9. Loan Amount: Amount		10. Loan Period Period	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>		<input type="text"/>	

Terms and Conditions
[Any bracketed clause or paragraph may be included at option of institution]