

# What Happens When You are in Default

If you have missed several of your Perkins Loan payments, your loan may be in default. Loan default occurs when your account is over 270 days past-due. Default is a serious status for your loan and has some negative implications you should be aware of.

## Things to know when your loan is in default:

- If you are going [back to school](#):
  - UCSB places a [block](#) on your **BARC account**, which prevents you from accessing services on campus.
  - **No access to transcripts**: If you are planning on returning to school, you will not be able to order your official transcripts until the block is cleared.
  - **Eligibility for Financial Aid**: You may not be eligible for Title IV financial aid if you have a delinquent loan.
- Credit reporting:
  - Any delinquent history on your account will be reported to credit bureaus, which will affect your credit score.
- Collection Agency:
  - Your account may be sent to a collection agency: This will also be reported to credit bureaus and will affect your credit score.
  - You will no longer be able to work with UCSB regarding payment, unless you are eligible for a [deferment](#) during the delinquency period.
  - Additional collection costs (17-25%) will be assessed to your account
- Eligibility for entitlements:
  - When your loan is in default, you are no longer entitled to deferments, cancellations, and forbearance. Please contact us as we can still issue these entitlements, however, on a case by case basis.
- Seizure of tax refund:
  - If you have a past-due amount on your account, you may have your income tax return seized and applied to your balance.

## Options if you are in default:

- If you are worried your loan is in default, visit the Heartland ECSI Website to check on your loan status.
- Contact ECSI or your UCSB Representative to discuss your options:
  - [Payment Plan](#)
  - Loan Rehabilitation Plan
  - [Cancellation](#)
  - [Deferments](#)
  - [Forbearance](#)
  - One-time payment of delinquent balance
  - Or a combination of any of the above options