

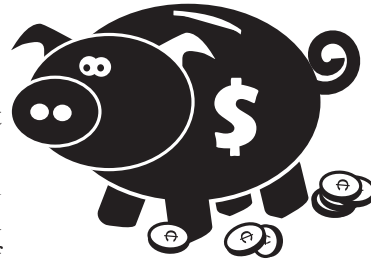
Additional Sources of Financial Aid

Federal financial assistance is also available to help you pay for college. In fact, approximately two-thirds of all student financial aid comes from federal programs administered by the U.S. Department of Education. The programs are outlined in detail in the “Student Guide” from which the following information is taken.

SOURCES OF STUDENT AID

You can find out about federal and other student aid from the following sources:

The financial aid administrator at each school in which you are interested can tell you what aid programs are available there and the total cost of attendance.



The Internal Revenue Service Publication 970 outlines tax benefits for postsecondary students. You can get a copy of Publication 970 by calling 1-800-829-1040. You can also view or download the publication from the Internet at www.irs.gov/pub/irs-pdf/p970.pdf.

The state higher education agency in your home state can give you information about state aid—including aid from the Leveraging Educational Assistance Partnership (LEAP) Program, which is funded jointly by individual states and the U.S. Department of Education.

The agency responsible in your state for public elementary and secondary schools can give you information on the Robert C. Byrd Honors Scholarship (Byrd Program). To qualify for aid under the Byrd Program, you must demonstrate outstanding academic achievement and show promise of continued academic excellence.

Students.gov, the student Internet gateway to the U.S. Government, provides access to Government resources to assist students in planning and paying for their education. Students.gov is a federal initiative designed to make interacting with the Government easier for students. In addition to finding financial aid information, students can use the website to file their taxes, search for a job, and take advantage of other Government services.

The public library is an excellent source of information on state and private sources of aid. In addition, many companies, as well as labor unions, have programs to help pay the cost of postsecondary education for employees, members,

or their children. Be sure to check foundations, religious organizations, fraternities or sororities, and town or city clubs. Include community organizations and civic groups. Do not overlook aid from organizations connected with your field of interest. For example, the American Medical Association or the American Bar Association are good sources for students seeking specialization in those fields.

The U.S. Armed Forces also offer financial aid opportunities. For example, as a member of the Army National Guard, you can apply to attend the Reserve Officer Training Corps (ROTC) program, a federal merit-based scholarship program that will pay for your tuition, fees, and books, and provide you with a monthly tax-free subsistence allowance. The Army National Guard also offers tuition assistance and other educational benefits.

If you are a veteran or the dependent of a veteran, veterans' educational benefits may be available. Check with your local Department of Veterans Affairs office. Information is also available at www.gibill.va.gov.

The Internet also has information on private sources of aid. Search under the keywords: "financial aid"; "student aid"; "scholarships", etc.

U.S. DEPARTMENT OF EDUCATION FINANCIAL ASSISTANCE

The U.S. Department of Education has the following Major Student Financial Assistance (SFA) Programs

- \$ Federal Pell Grant**
- \$ Federal Supplemental Educational Opportunity Grant (FSEOG)**
- \$ Federal Work-Study**
- \$ Federal Perkins Loan**
- \$ Stafford Loans**
- \$ Federal PLUS Loan**
- \$ Consolidation Loan**

Grants are financial aid you don't have to pay back.

Work-Study lets you work and earn money to help pay for school.

Loans are borrowed money that you must repay with interest.

Undergraduates may receive grants, loans, and Federal Work-Study.

FINANCIAL NEED

Aid from most of the programs discussed is awarded on the basis of financial need (except for unsubsidized Stafford and PLUS loans). When you apply for federal student aid, the information you report on the FAFSA is used to calculate your Expected Family Contribution (EFC). The formula used is established by law and is used to measure your family's financial strength on the basis of your family's income and assets. The EFC is used to determine your eligibility for federal student aid.

If your EFC is below a certain amount, you will be eligible for a Federal Pell Grant, assuming you meet all other eligibility requirements.

There is not a maximum EFC that defines eligibility for the other financial aid programs. Instead, your EFC is used in the following equation to determine your financial need:

$$\begin{array}{r} \text{Cost of Attendance} \\ - \text{Expected Family Contribution} \\ \hline = \text{Financial Need} \end{array}$$

Your financial aid administrator calculates the cost of attendance and subtracts the amount you and your family are expected to contribute toward that cost. If there's anything left over, you are considered to have financial need. In determining your need for aid from the SFA programs, your financial aid administrator must first consider other aid you are expected to receive.

Note: The financial aid administrator puts together a financial aid package that comes as close as possible to meeting your needs. However, because funds are limited, the amount awarded to you may fall short of the amount for which you are eligible.

Your financial aid administrator can adjust data used to calculate your EFC or adjust your cost of attendance if he or she believes your family's financial circumstances warrant it based on the documentation you provide. However, the financial aid administrator does not have to make such an adjustment. You can get worksheets that show how a student's EFC is calculated by downloading them from the Internet at ifap.ed.gov. You can also get the worksheets by contacting the Federal Student Aid Information Center at 1-800-4-FED-AID.

DEPENDENCY STATUS

When you apply for federal student aid, your answers to certain questions will determine whether you are considered dependent on your parents or independent. If you are considered dependent on your parents, you must report their income and assets as well as your own. If you are independent, you must report only

your own income and assets (and those of your spouse, if you are married). Not living with your parents does not automatically classify you as independent. Students are classified as dependent or independent because federal student aid programs are based on the idea that students (and their parents or spouse, if applicable) have the primary responsibility for paying for their postsecondary education. For the 2006-2007 academic year, you are an independent student if at least one of the following applies:

- you were born before January 1, 1983
- you are married
- you have children who receive more than half their support from you
- you have dependents (other than your children or spouse) who live with you and who receive more than half of their support from you and will continue to do so through June 30, 2007
- both parents are deceased or you are/were a ward/dependent of the court until age 18
- you are a veteran of the U.S. Armed Forces (“veteran” includes a student who attended a U.S. military academy who was released under a condition other than dishonorable)

If you claim to be an independent student, your school may ask you to submit proof before you can receive any federal student aid. If you think you have unusual circumstances that would make you independent even though none of the above criteria apply to you, talk to your financial aid administrator, who can change your status if your circumstances warrant it. The review is not automatic. You must request it and provide supporting documentation. That decision is based on the judgment of the financial aid administrator, and is final; you cannot appeal it to the U.S. Department of Education.

APPLYING

How do I apply?

You may submit a Free Application for Federal Student Aid (FAFSA) through the Internet by using the FAFSA website www.fafsa.ed.gov; by having your school submit your application electronically; or by mailing a paper FAFSA.

Will I need to fill out forms in addition to the FAFSA to receive aid?

For most of the federal student aid programs, the FAFSA (or Renewal FAFSA) is the only form you need to file. Remember, applying for federal student aid is FREE. However, to be considered for nonfederal aid such as institutional aid (aid from the school), you may have to fill out additional forms and pay a processing fee. Check with your school to see which nonfederal application to fill out, if any, and be sure to ask about any deadline dates.

When do I apply?

Apply as soon AFTER January 1 as possible. Do not sign, date, or send your application before January 1. If you apply through FAFSA on the web, you can apply beginning January 2. You need to apply only once each school year.

Note: You must reapply for federal aid every year. Also, if you change schools, your aid does not go with you. Check with your new school to find out what steps you must take to continue receiving aid.

What happens after I apply?

After your completed application is received by the processing system, you will be sent a Student Aid Report (SAR). The SAR will contain the information from your application and, if there are no questions or problems with your application, your SAR will show your Expected Family Contribution (EFC), the number used in determining your eligibility for federal student aid. The results will be sent to you and to the schools that you listed on your application. You can also check the status of your application on the FAFSA website.

What happens after I receive my SAR?

When you receive your SAR, you must review it carefully to make sure it is correct. If the data is correct and you do not need to make changes, you can receive financial aid on the basis of that information. Changes must be made using FAFSA on the web. You cannot make changes over the phone.

THE FEDERAL STUDENT AID INFORMATION CENTER

If you need answers right away to questions about federal student aid, call the Federal Student Aid Information Center between 8 A.M. and midnight (Eastern time), seven days a week: 1-800-4-FED-AID. Counselors at this number can:

- help you complete the FAFSA
- answer questions about a PIN
- help you make corrections to your SAR
- tell you whether a school participates in the federal student aid programs and that school's student loan default rate
- explain federal student aid eligibility requirements
- explain the process of determining financial need and awarding aid
- have your application information sent to a specific school
- send federal student aid publications to you

You can also use the automated response system to find out if your federal student financial aid application has been processed and to request a copy of your Student Aid Report (SAR).

Note: If your interest is capitalized, it will increase the amount you have to repay. If you choose to pay the interest as it accumulates, you will repay less in the long run. In addition, the amount of interest you pay during the first 60 months that interest payments are required may be tax deductible.

Who can get a Stafford Loan?

If you are a regular student enrolled in an eligible program of study at least half-time, you may receive a Direct or FFEL Stafford Loan. You must also meet other general eligibility requirements.

When do I pay back these loans?

After you graduate, leave school, or drop below half-time enrollment, you have six months before you begin repayment (you may have longer than six months if you are on active duty with the military). This is called a “grace period”. During the grace period on a subsidized loan, you do not have to pay any principle, and no interest will be charged. During the grace period on an unsubsidized loan, you do not have to pay any principle, but interest will accrue. If you do not pay the interest, it will be capitalized.

PLUS LOANS

PLUS Loans enable parents with good credit histories to borrow to pay the education expenses of each child who is a dependent undergraduate student enrolled at least half-time. PLUS Loans are available through both the Direct Loan and FFEL programs. Most of the benefits to parent borrowers are identical in the two programs.

Are there any borrowing requirements my parents have to meet?

Yes. To be eligible to receive a PLUS Loan, your parents generally will be required to pass a credit check. If they do not pass the credit check, they might still be able to receive a loan if someone, such as a relative or friend who is able to pass the credit check, agrees to endorse the loan, promising to repay it if your parents should fail to do so. Your parents might also qualify for a loan even if they do not pass the credit check if they can demonstrate that extenuating circumstances exist. You must meet the general eligibility requirements for federal student financial aid. Your parents must also meet some of these general requirements. For example, your parents must meet citizenship requirements and may not be in default or owe a refund to any student financial assistance program.

What is a Federal Supplemental Educational Opportunity Grant?

A Federal Supplemental Educational Opportunity Grant (FSEOG) is for undergraduates with exceptional financial need—that is, students with the lowest Expected Family Contributions (EFCs)—and gives priority to students who receive Federal Pell Grants. A Federal Supplemental Educational Opportunity Grant does not have to be paid back.

What is Federal Work-Study?

The Federal Work-Study Program provides jobs for undergraduate and graduate students with financial need, allowing them to earn money to help pay education expenses. The program encourages community service work and work related to your course of study.

What is a Federal Perkins Loan?

A Federal Perkins Loan is a low-interest (5 percent) loan for both undergraduate and graduate students with exceptional financial need. Your school is your lender. The loan is made with Government funds with a share contributed by the school. You must repay this loan to your school.

BORROWER RESPONSIBILITIES AND RIGHTS

Responsibilities

When you take out a student loan, you have certain responsibilities. Here are a few of them:

- When you sign a promissory note, you are agreeing to repay the loan according to the terms of the note. The note is a binding legal document and states that, except in cases of discharge, you must repay the loan—even if you do not complete your education (unless you were unable to complete your program of study because the school closed); are not able to get a job after you complete the program; or are dissatisfied with, or do not receive, the education for which you paid.
- Think about what this obligation means before you take out a loan. If you do not repay your loan on time or according to the terms in your promissory note, you may go into default, which has very serious consequences and may affect your credit rating.
- You must make payments on your loan even if you do not receive a bill or repayment notice. Billing statements (or coupon books) are sent to you as a convenience, but you are obligated to make payments even if you do not receive any reminders.
- If you apply for a deferment or forbearance, you must continue to make payments until you are notified that the request has been granted. If you do not, you may end up in default. You should keep a copy of any request form

you submit, and you should document all contacts with the organization that holds your loan.

- You must notify the appropriate representative (school, agency, lender, or the Direct Loan Servicing Center) that manages your loan when you graduate, withdraw from school, or drop below half-time status; change your name, address, or Social Security Number; or transfer to another school.
- Regardless of the type of loan you have, you must receive entrance counseling before you are given your first loan disbursement, and you must receive exit counseling before you leave school. These counseling sessions will be administered by your school and will provide you with important information about your loan. Your lender or the Direct Loan Servicing Center will provide you with additional information about your loan.

If you default on your loan, your school, the lender or agency that holds your loan, the state, and the Federal Government may all take action to recover the money, including notifying national credit bureaus of your default. This may affect your credit rating for a long time. For example, you may find it very difficult to borrow from a bank to buy a car or a house. Furthermore, a loan default may affect your eligibility for certain jobs.

In addition, if you default, the agency holding your loan may ask your employer to deduct payments from your paycheck. Also, you may be liable for expenses incurred in collecting the loan. If you decide to return to school, you are not entitled to receive any more federal student aid. Legal action might also be taken against you.

Rights

You have certain rights as a borrower. Listed below are some of them.

Before your school makes your first loan disbursement, you will receive the following information about your loan from your school, lender, and/or the Direct Loan Servicing Center:

- the full amount of the loan.
- the interest rate.
- when you must start repaying the loan.
- a complete list of any charges you must pay (loan fees) and information on how those charges are calculated.
- the yearly and total amounts you can borrow.
- the maximum repayment periods and the minimum repayment amount.
- an explanation of default and its consequences.
- an explanation of available options for consolidating or refinancing your loan.
- a statement that you can prepay your loan at any time without penalty.

Before you leave school, you will receive the following information about your loan from your school, lender, and/or the Direct Loan Servicing Center:

- a current description of your loans, including the average anticipated monthly payments.
- the amount of your total debt (principle and estimated interest), what your interest rate is, and the total interest charges on your loan.
- if you have FFEL Program Loans, the name of the lender or agency that holds your loan, where to send your payments, and where to write or call if you have questions.
- if you have Direct Loans, the address and telephone number of your Direct Loan Servicing Center.
- an explanation of the fees you might be charged during the repayment period, such as late charges and collection or litigation costs if you're delinquent or in default.
- a reminder of available options for consolidating or refinancing your loan.
- a description of applicable deferment, forbearance, and discharge (cancellation) provisions.
- repayment options and advice about debt management.
- notification that you must provide your expected permanent address and name and address of your expected employer.
- notification that you must also provide any corrections to your school records (i.e. name, SSN, references, and driver's license).
- a grace period before your repayment period begins.
- a loan repayment schedule with due date of first payment, number and frequency of payments, and amount of each payment.
- notification to you or your parents when FFEL or PLUS loans are sold if the sale results in payments to a new lender or agency.

You can obtain a complete copy of the “Student Guide” by calling the U.S. Department of Education at 1-800-4-FED-AID or by downloading a copy from their website at studentaid.ed.gov/students/publications/student_guide/index.html.