

What is Student Financial Aid (SFA)?

SFA is assistance for students enrolled at least half time in participating schools. It helps to cover school expenses, including tuition and fees, room and board, books and supplies, and transportation. Most aid is need-based, and the three types of aid are grants (state or federal), loans, and work-study.

GRANTS

Financial aid that does not have to be repaid. Generally, grants are for undergraduate students and the grant amount is based on need, school cost, and enrollment status. Pell Grants for the 2000-2001 school year ranged from \$400 to \$3,300. Federal Supplemental Educational Opportunity Grants ranged from \$100 to \$4,000. The Florida Student Assistant Grant ranged from \$388 to \$650.

LOANS

Borrowed money that must be repaid with interest. Both undergraduate and graduate students may borrow money. Parents may also borrow to pay education expenses for dependent undergraduate students. Maximum loan amounts increase with each year of completed study. **Federal Stafford Loans** are made to students through two loan programs.

- Direct Loan Program: participating schools allow their students to borrow directly from the federal government.
- Federal Family Education Loan Program: private lenders provide the funds.
- **Perkins Loans** are offered by some schools to provide the neediest students with low-interest loans. **Federal Plus Loans** are made to qualifying parents of dependent undergraduate students.

WORK-STUDY

Money for education expenses paid by the school for on-campus or community-based work.

Who gets Student Financial Aid? _Some of the requirements to receive aid from the federal SFA programs are that you must

- Be a U.S. citizen or eligible non-citizen of the United States with a valid Social Security Number;
- Have a high school diploma or a General Education Development (GED) certificate or pass an approved "ability to benefit" test;
- Enroll in an eligible program as a regular student seeking a degree or certificate; and
- Register (or have registered) for Selective Service, if you are a male between the ages of 18 and 25.

HOW do you get Student Financial Aid?

- Complete the FAFSA (Free Application for Federal Student Aid). The FAFSA lists deadlines for federal and state aid. Check deadlines! Schools and states may have their own deadlines for aid.
- Review your Student Aid Report (SAR). One to four weeks after you submit your FAFSA, we will send you a SAR. The report confirms the information reported on your application and will tell you your Expected Family Contribution (an amount you and your family are expected to contribute toward your education, although this amount may not exactly match the amount you and your family end up contributing).
- Contact the school(s) you may attend. Talk with the financial aid administrator at the schools you're interested in attending. They will review your SAR and prepare a letter outlining the amount of aid (from all sources) that their school will offer you.

Financial Aid Office Services

Financial Aid Counseling

A Financial Aid Counselor is available without an appointment to aid you with special problems, technical questions, exceptions, etc.

Walk In Services

Assistance is available on a walk-in basis to answer general questions, distribute/accept application materials and provide information regarding application procedures and general program requirements.

Web Access (OASIS)

You can obtain information on the status of your financial aid award on the web via our OASIS system. To get to OASIS read important information then just click on the link below:

<http://oasis2.fau.edu/ia-bin/ahomepg.htm>

IMPORTANT INFORMATION

Login is required using your FAU PIN code* with two leading zeros. example: enter 1234 as 001234

*Initially your PIN code is set as your birth day and year, for example: if your birth date is 01/12/34, your PIN code is 1234 . If you would like to change your PIN code, call OWLINK at (561) 338-1630 and press 3. There is a one day delay before this change takes affect in OASIS.

Financial Aid Programs offered at FAU

We are here to assist students in meeting educational costs by offering a variety of assistance programs.

Grants _ Scholarships _ Loans _ Student Employment _ Federal, State, Private & Institutional Programs _ Eligibility Advising

Call (954) 236-1229 to receive the Florida Atlantic University 2001 - 2002 Guide to Financial Aid.

Student Loans

Stafford Loans are the Department's major form of self-help aid for students. While attending Florida Atlantic University your Stafford Loans will be made through the Federal Family Education Loan (FFEL) Program. Under the FFEL Program, the funds for your loan are lent to you from a private lender (a bank, credit union, or other lender that participates in the FFEL Program).

FFEL programs also offer **PLUS Loans** for parents of dependent students and **Consolidation Loans**.

What kinds FFEL Stafford Loans are available?

FFEL Stafford Loans are either subsidized or unsubsidized. You can receive a subsidized loan and an unsubsidized loan for the same enrollment period.

A **subsidized** loan is awarded on the basis of financial need. You will not be charged any interest before you begin repayment or during authorized periods of deferment. The federal government "subsidizes" the interest during these periods.

An **unsubsidized** loan is not awarded on the basis of need. You'll be charged interest from the time the loan is disbursed until it is paid in full. If you allow the interest to accumulate, it will be **capitalized**-that is, the interest will be added to the principal amount of your loan and additional interest will be based upon the higher amount.

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'll 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 FFEL Stafford Loan?

If you're a *regular student* enrolled in an *eligible program* at least *halftime*, you may receive a FFEL Stafford Loan. You must also meet other general *eligibility requirements*.

How much can I borrow? If you're a *dependent undergraduate* student you can borrow

up to:

- \$2,625 if you're a first-year student enrolled in a program of study that is at least a full academic year.
- \$3,500 if you've completed your first year of study and the remainder of your program is at least a full academic year.
- \$5,500 a year if you've completed two years of study and the remainder of your program is at least a full academic year.

If you're an *independent undergraduate* student or a dependent student whose parents are unable to get a **PLUS Loan**, you can borrow up to:

- \$6,625 if you're a first-year student enrolled in a program of study that is at least a full academic year (only \$2,625 of this amount may be in subsidized loans).
- \$7,500 if you've completed your first year of study and the remainder of your program is at least a full academic year (only \$3,500 of this amount may be in subsidized loans).
- \$10,500 a year if you've completed two years of study and the remainder of your program is at least a full academic year (only \$5,500 of this amount may be in subsidized loans).

For periods of study that are less than an academic year, the amounts you can borrow will be less than those just listed. Talk to your financial aid administrator to find out how much you can borrow. NOTE: *FFEL Stafford Loans are not made to students enrolled in programs that are less than one-third of an academic year.* __Generally, if you're a graduate student, you can borrow up to \$18,500 each academic year. (Only \$8,500 of this amount may be in subsidized Stafford loans.) __NOTE: *The amounts given above are the maximum yearly amounts you can borrow in both subsidized and unsubsidized loans. You may receive less than these yearly maximum amounts if you receive other financial aid that is used to cover a portion of your **cost of attendance**.* _

Generally, the total debt you can have outstanding from all Stafford Loans combined is:

- \$23,000 as a dependent undergraduate student.
- \$46,000 as an independent undergraduate student (only \$23,000 of this amount may be in subsidized loans).
- \$138,500 as a graduate or professional student (only \$65,500 of this amount may be in subsidized loans). The graduate debt limit includes any Stafford Loans received for undergraduate study.

NOTE: *Your school can refuse to certify your loan application or can certify a loan for an amount less than you would otherwise be eligible for, if the school documents the reason for its action and explains the reason to you in writing. The school's decision is final and cannot be appealed to the U.S. Department of Education.*

How will I receive my FFEL Stafford Loan?

For a FFEL Stafford Loan, the lender will send your loan funds to your school. In most

cases, your loan will be disbursed in at least two installments, and no installment will be greater than half the amount of your loan.

Your loan money must first be used to pay for your tuition, fees, room and board. If loan money remains, you'll receive the funds by check or in cash unless you give the school written permission to hold the funds until later in the enrollment period.

At some schools, if you're a first-year undergraduate student and a first-time borrower, your first payment cannot be disbursed until 30 days after the first day of your enrollment period. This way, you won't have to repay the loan if you don't begin classes or if you withdraw during the first 30 days of classes. However, you may owe money to the school for a portion of tuition or other fees. This 30-day delayed disbursement requirement does not apply at schools with particularly low loan default rates.

Will I have an opportunity to cancel my loan after I sign the promissory note?

Yes. Your school must notify you in writing whenever it credits your account with your FFEL Stafford Loan funds. This notification must be sent to you no earlier than 30 days before, and no later than 30 days after the school credits your account. You may cancel all or a portion of your loan if you inform your school that you wish to do so within 14 days after the date that your school sends you this notice, or by the first day of the payment period, whichever is later. Your school can tell you the first day of your payment period. If you receive Stafford Loan funds directly by check, you may refuse the funds by not endorsing the check.

What's the interest rate charged on these loans?

The interest rate on your loan could change each year of repayment but, by law, it will never exceed 8.25 percent. The interest rate is adjusted each year on July 1. You'll be notified of interest rate changes throughout the life of your loan.

Congress changed the interest rate calculation for Stafford loans made on or after October 1, 1998. If you have loans that were first disbursed before October 1, 1998, the interest rate on these loans may be different. For a FFEL Stafford Loan, check with your lender.

If you have subsidized loans, you will not be charged interest while you're enrolled in school at least half time, during a grace period, or during authorized periods of deferment (see below). Interest will begin to accrue—that is, accumulate—when you enter repayment.

If you have unsubsidized loans, you'll be charged interest from the day the loan is disbursed until it is repaid in full, including in-school, grace, and deferment periods. You may choose to pay the interest during these periods, or it can be capitalized.

Is there a charge for these loans?

You'll pay a fee of up to 4 percent of the loan. This fee is deducted proportionately from each disbursement of your loan. For a FFEL Stafford Loan, a portion of this fee goes to the federal government and a portion goes to the guaranty agency to help reduce the cost of the loans. Also, if you don't make your loan payments when they're scheduled, you may be charged collection costs and late fees.

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 don't have to pay any principal, and no interest will be charged. During the grace period on an unsubsidized loan, you don't have to pay any principal, but interest will be charged. You can either pay the interest or it will be capitalized.

After you leave school or drop below half time enrollment, you'll receive information about repayment and will be notified of the date repayment begins. However, you are responsible for beginning repayment on time, even if you don't receive this information. Failing to make payments on your loan may have a negative effect on your credit rating.

Is it ever possible to postpone repayment of my loan?

Yes. Under certain circumstances, you can receive a deferment or forbearance on your loan. A **deferment** allows you to temporarily postpone payments on your loan. If you have a subsidized loan, you will not be charged interest during the deferment. If your loan is unsubsidized, you will be responsible for the interest on the loan during the deferment. If you don't pay the interest as it accrues, it will be capitalized and increase the amount you will have to repay. Deferments are available if you do not have an outstanding balance on a FFEL loan received before July 1, 1993.

FFEL Stafford borrowers should contact the lenders or agencies holding the loans. You can't receive a deferment if your loan is in **default**.

If you are temporarily unable to meet your repayment schedule but are not eligible for a deferment, you may receive forbearance for a limited and specified period. During forbearance, your payments are postponed or reduced. Whether your loans are subsidized or unsubsidized, you will be charged interest. If you don't pay the interest as it accrues, it will be capitalized.

For example, you may be granted forbearance if you are:

- Unable to pay due to poor health or other unforeseen personal problems.
- Serving in a medical or dental internship or residency.
- Serving in a position under the National Community Service Trust Act of 1993.
- Obligated to make payments on certain federal student loans that are equal to or greater than 20 percent of your monthly gross income.

Deferments and forbearances are not automatic. If you have a FFEL Stafford Loan, you must contact the lender or agency that holds your loan, you may have to provide documentation to support your request. You must continue making scheduled payments until you receive notification that the deferment or forbearance has been granted. Failing to make payments on your loan may have a negative effect on your credit rating. **__Can my loan be discharged (canceled)?** _In certain circumstances. A discharge releases you

from all obligation to repay the loan. A complete listing of discharge conditions is given. Your loan can't be discharged because you didn't complete the program of study at the school (unless you were unable to complete the program because the school closed), didn't like the school or the program of study, or didn't obtain employment after completing the program of study. Repayment assistance (not a discharge but another way to satisfy your obligation to repay) may be available if you serve in the military. For more information, contact your recruiting officer. For more information about discharge or repayment assistance, FFEL Stafford Loan borrowers should contact the lenders or agencies that hold their loans.

How do I apply for a FFEL Stafford Loan?

First, you must **complete** the 2001-2002 **Free Application for Federal Student Aid (FAFSA) or Renewal FAFSA**. After your FAFSA is processed, your school will review the results and will inform you about your general loan eligibility. Next, you must complete the **promissory note**. Remember, the promissory note is a legal document requiring you to repay the loan. Read it carefully before you sign.

How do I pay back my FFEL Stafford Loan?

There are three repayment plans that are available to borrowers of FFEL Stafford Loans if your first FFEL Program Loan was disbursed on or after July 1, 1993. All the repayment plans require you to repay the loan within 10 years. Also, no scheduled payment may be more than three times greater than any other of your scheduled payments. The repayment plans will be explained in more detail during entrance and exit counseling sessions provided by your school. The chart above shows examples of estimated monthly payments for various loan amounts under each of the plans. Aspects of these repayment plans will vary by lender. Check with the lender for complete information.

In some cases it may be beneficial for you to consolidate one or more of your FFEL Stafford Loans into a **Consolidation Loan**.

You may choose one of the following repayment plans:

- A **Standard Repayment Plan** requires you to pay a fixed amount each month-at least \$50 or the interest that has accrued.
- Under a **Graduated Repayment Plan**, your payments will be lower at first and then increase over time. Each of your payments must at least equal the interest accrued on the loan between scheduled payments.
- An **Income-Sensitive Repayment Plan** bases your monthly payment on your yearly income and your loan amount. As your income rises or falls, so do your payments. Each of your payments must at least equal the interest accrued on the loan between scheduled payments.

If you are a new FFEL borrower after October 7, 1998, and you have FFEL loans totaling more than \$30,000, you can choose an Extended Repayment Plan. Under an Extended Repayment Plan, your payments will be fixed or graduated (lower at first and then increased over time) over a period of up to 25 years. __ You are allowed to pick a

different repayment plan once a year. Your repayment plan will not change unless you request a change. If you do not choose a repayment plan when you first begin repayment, you will repay under a Standard Repayment Plan.