

Student Financial Aid Information Brochure 2015-16

Financial Aid Programs That Are Available:

FEDERAL PELL GRANT – Based on financial need, these grants can be awarded for the fall, spring, and summer semesters. The annual award for a full-time student ranges for \$588 to \$5,775. Amounts are prorated based on credit load; a student can receive a Pell Grant for one quarter, one half, three quarter or full-time enrollment. Pell Grant **lifetime eligibility** is capped at the equivalent of 12 full-time semesters (this amount is prorated for part-time students—for example, 24 half-time semesters, 18 ¾ time semesters). Two full-time semesters equals one award year, and the Department of Education considers that 100%. Therefore, maximum lifetime Pell eligibility is 600%. Students can go to www.nslids.ed.gov, sign in using their federal PIN, and check the percentage of Pell eligibility they have used. For more information, see <http://www.studentaid.ed.gov/types/grants-scholarships/pell/calculate-eligibility>.

FEDERAL SEOG (Supplemental Education Opportunity Grant) – Also based on need; priority is given to students who are eligible for the Pell Grant.

FEDERAL WORK-STUDY – Provides part-time jobs to students with financial need. For more information, contact the Financial Aid Office.

KVCC CHILD CARE – For more information, check the financial aid child care scholarships page on the KVCC website (www.kvcc.me.edu).

KVCC SCHOLARSHIPS – Students must fill out a FAFSA and apply for financial aid at KVCC to be eligible. For more information, see “Grants and Scholarships” on the KVCC website, or contact the KVCC Foundation Office, or the Financial Aid Office.

STATE OF MAINE GRANT PROGRAMS (SMGP) – The application is the FAFSA form, which must be submitted by May 1 each year to qualify. Students will only be able to receive the Maine State Grant Award for a maximum of 10 full-time semesters or its equivalency.

PRIVATE SCHOLARSHIPS—To search for Maine-based or national scholarships, visit www.famemaine.com; www.collegeboard.com; www.fastaid.com; www.fastweb.com; www.mapping-your-future.org; www.scholarships.com; or www.theoldschool.org.

VETERANS EDUCATION PROGRAMS – For more information, call the VA hotline at 1-888-442-4551 or consult the VA website, www.gibill.va.gov. Also, see the KVCC website, <http://www.kvcc.me.edu/Pages/Financial-Aid/Veterans-Benefits>. The VA Certifying Officer on campus is Anne Connors, Director of Financial Aid. She can be reached at aconnors@kvcc.me.edu.

For more information about aid available at KVCC, check the KVCC website, www.kvcc.me.edu/fa, or contact the Financial Aid Office.

Loans

SUBSIDIZED WILLIAM D. FORD FEDERAL DIRECT (STAFFORD) STUDENT LOAN – Based on financial need. The principal and interest are both deferred as long as the student is enrolled at least half time (6 credits). In addition, the principal is deferred until six months after the student graduates or drops below 6 credits—this is known as the “grace period.” Students with Federal Direct Subsidized Stafford Loans that first disburse between 7/1/2012 and 7/1/2014 will no longer have interest-subsidy benefits during the six-month grace period. Payments will not be due during the grace period, but interest will accrue beginning with the last date of attendance. For student loans disbursed after 7/1/2014, the deferral of the interest subsidy during the grace period has been restored.

UNSUBSIDIZED WILLIAM D. FORD FEDERAL DIRECT (STAFFORD) STUDENT LOAN – Non-need-based. The interest is either paid while a student is in school or capitalized over the life of the loan. (The principal is deferred until six months after a student graduates or drops below 6 credits.)

DIRECT PLUS LOANS (Parent Loan for Undergraduate Students): This loan is available to parents of a dependent student (parents must have a good credit history to qualify).

DIRECT LOAN INTEREST RATES --The Bipartisan Student Loan Certainty Act of 2013 ties federal student loan interest rates to financial markets. Under this Act, interest rates will be determined each June for new loans being made for the upcoming award year, which runs from July 1 to the following June 30. Each loan will have a fixed interest rate for the life of the loan. The following table provides the interest rates for new Direct Loans made on or after July 1, 2014, and before July 1, 2015. These rates will apply to all new Direct Loans made during this time, even loans already disbursed before the passage of the Act.

Loan	Interest Rate
Direct Subsidized Loans (Undergraduates)	4.29%
Direct Unsubsidized Loans (Undergraduates)	4.29%
Direct PLUS Loans (Graduate or Professional Students)	5.84%

LOAN FEES: As of October 1, 2015, Federal Direct Stafford Loans have a 1.068% loan fee taken out at disbursement. For Direct PLUS loans, a 4.272% fee is taken out at disbursement.

ALTERNATIVE LOANS -- These loans are not federal loans and not federally guaranteed. Borrowers are subject to a credit check, and interest rates vary. KVCC does not have a “preferred lender list” for alternative loans. For more information, check with the Financial Aid Office.

150% Direct Subsidized Loan Limits

For first-time borrowers as of July 1, 2013 or students who have no outstanding balance on a FFEL or Direct Loan when receiving a Direct Loan on or after July 1, 2013, their maximum **subsidized** loan eligibility period is 150% of the published length of the borrower's academic program. For example, the maximum subsidized loan eligibility period for a two-year Associate's Degree is three years, generally prorated for less than full-time enrollment. See the following chart:

<u>Program Length</u>	<u>Maximum Eligibility Period</u>
5-year Bachelor's Degree	7.50 Years
4-Year Bachelor's Degree	6.00 Years
2-Year Associate's Degree	3.00 Years
2-Year Certificate	3.00 Years
1-Year Certificate	1.50 Years
18-Week Certificate	27 Weeks
10-Week Certificate	15 Weeks

It is important to know that changing programs of study from one program at the same level to another (for example, from one Associate's Degree to another) does not reset the measurement to maximum. Eligibility already used is subtracted from maximum eligibility allowed. Students transferring to a four-year degree must subtract eligibility already used from the 6-years they are allowed for a Bachelor's.

The Department of Education will calculate students' remaining loan eligibility based on program-level enrollment data reported by KVCC and other higher-education institutions. Students who lose subsidized loan eligibility are still eligible for unsubsidized Stafford Direct loans (provided they meet all other eligibility requirements). For more information, go to <http://ifap.ed.gov/eannouncements/attachments/051613DirectSubsidizedLoanLimit150PercentAnnounce1Attach.pdf>.

The Student Aid Report (SAR) that you receive from the Department of Education after filling out your 2015-16 Free Application for Federal Student Aid (FAFSA) will indicate whether you are subject to the 150% limit, and if so, will let you know your subsidized usage periods to date, and whether you have reached your 150% limit and are now responsible for interest that is accruing. You can monitor your Maximum Eligibility Period or Remaining Eligibility Periods by logging into the National Student Loan Data System at http://www.nslds.ed.gov/nslds_SAV/.

Loan Limits, and Refusal to Certify a Stafford Loan

Through debt management and loan counseling, students are encouraged to limit their borrowing. As it says on the "Mapping Your Future" loan repayment calculator website, <http://mappingyourfuture.org/paying/standardcalculator.com>, "It is recommended that your student loan payment be less than 8 percent of your gross income." Annual loan limits for subsidized and unsubsidized loans are: **\$3,500 for first year undergraduates, \$4,500 for second year undergraduates, and \$5,500 for post-associate degree advanced certificate undergraduates. Dependent students may be eligible to borrow an additional unsubsidized loan of up to \$2,000 per academic year. Independent students and dependent students whose parents cannot borrow a PLUS loan may be eligible to borrow an additional unsubsidized Stafford Loan of up to \$6,000 per academic year.** If you have any questions about your maximum loan eligibility, or if your award letter does not include a loan and you wish to apply for one, please contact the Financial Aid Office. Individual, comprehensive counseling by KVCC's Loan Counselor is recommended for any student wishing to borrow. (Borrowers are encouraged to limit borrowing requests to a combination of subsidized and unsubsidized federal Stafford loans that do not exceed the College's average 2013-2014 graduating student's indebtedness of \$13,020 for the 60% of graduating students who had loans.) KVCC reserves the right, as granted by the U.S. Dept. of Education, to refuse to certify a student's Stafford loan or to certify the loan for an amount less than the established federal limits. In that instance, KVCC must document the reason and provide that written explanation to the student. KVCC's decision is final and cannot be appealed to the Dept. of Education.

How to Apply for a Stafford Loan

If you choose to borrow, and you have stated on your KVCC Financial Aid Information Form that you are interested in student loans, then information about a Stafford loan will be included in your award letter, and there may be a loan request section on your financial aid award letter for you to fill out and return. If you want a Stafford loan and one has not been included in your financial aid award letter, please contact the Financial Aid Office. The Financial Aid Office will work with you to complete the rest of the process. All first-time borrowers at KVCC must participate in a loan entrance interview. We prefer that you do this in person by setting up an appointment with a Loan Counselor in the Financial Aid Office, but you can also do this on-line by going to the KVCC web site, clicking on "loans," and then on "on-line loan entrance counseling."

30-Day Delay in Disbursement for First-Time, First-Year Borrowers If a student is a first-year undergraduate student and a first-time borrower, KVCC cannot disburse his/her first payment until 30 days after the first day of the enrollment period. This practice ensures that students won't have a loan to repay if they don't begin classes or if they withdraw during the first 30 days of classes.

Double-Disbursement of Loans for Students Attending Only One Semester: If a student is only enrolled for one semester (for example, the student is enrolled for fall and graduating at the end of the fall semester), that student's loans must be disbursed half on the standard disbursement date and half at the mid-point of the semester.

Loan Proration: If a student's final period of enrollment is shorter than the school's defined academic year (for example, a student who is graduating at the end of the fall semester), federal regulations require financial aid administrators to prorate annual loan limits. Please check with the Financial Aid Office for more information.

Loan Default: If a student is in default on a Stafford loan, that student is ineligible for federal financial aid from the time the student goes into default until the student resolves the default and the Financial Aid Office is given a letter from the agency holding the defaulted loans stating that he/she is once again eligible for Title IV aid.

Borrowing Wisely-Before You Borrow, Have You Considered...

- 1) **What your plans are after graduation?** Bear in mind that Stafford Loans ultimately have to be repaid. Principal payment begins six months after you graduate or leave KVCC or drop below six credits.
- 2) **Putting together a budget of estimated expenses** for this academic year? You can estimate the cost of tuition, fees and books by asking the Business Office. Keep track of your transportation and personal costs by writing down every expense for one month. This will give you a better idea of what your costs really are and may show you areas where you can save money. Choose your borrowing amount only after estimating your budget. You may discover that you can get along by borrowing less. Review your award letter along with your savings, anticipated savings and your academic year job earnings before entering the "loan amount requested."
- 3) **Reducing the amount you are borrowing?** Borrowing for direct educational costs such as tuition, fees, and books makes sense. Reduce or eliminate borrowing for personal expenses. It is easier to borrow than it is to repay the loan.
- 4) **What your life/earning power will be like after graduation?** Keep in mind that even though Stafford loans are "low interest" loans, the less you borrow now – the less you will need to pay back. The average starting salary (based on KVCC surveys) of a KVCC graduate is \$33,110. Ask the Financial Aid Office for the average starting salary for your particular educational program. Consider that, after graduation, you may wish to purchase a car or a home and having to pay a monthly loan payment can make it more difficult to save for this. Keep in mind that your student loan repayments will compete dollar for dollar with your future purchases.

Accessing the National Student Loan Data System (NSLDS)

To monitor all of your federal student loan debt and to determine which servicer is servicing a loan, you may access the National Student Loan Data System (NSLDS) online at www.nsls.gov or call toll-free 1-800-000-8219. You will need your federal PIN number to view your loan history. Please note that this website does not list your alternative or private student loans.

Information on any Stafford loan taken out by a student or parent will be submitted to the NSLDS, and will be accessible by guaranty agencies, lenders, and institutions determined to be authorized users of the data system.

Incarcerated Students: Students are not eligible for a Federal Stafford Loan while incarcerated.

Students Convicted of Possession or Sale of Drugs

A federal or state drug conviction can disqualify a student for FSA funds. The student self-certifies in applying for aid that he is eligible. Convictions only count if they were for an offense that occurred during a period of enrollment for which the student was receiving Title IV aid—they do not count if the offense was not during such a period. Also, a conviction that was reversed, set aside, or removed from the student's record does not count, nor does one received when she was a juvenile, unless she was tried as an adult. The chart below illustrates the period of ineligibility for FSA funds, depending on whether the conviction was for sale or possession and whether the student had previous offenses. (A conviction for sale of drugs includes convictions for conspiring to sell drugs.)

	Possession of Illegal Drugs	Sale of Illegal Drugs
1st offense	1 year from date of conviction	2 years from date of conviction
2nd offense	2 years from date of conviction	indefinite period
3+ offenses	indefinite period	

If the student was convicted of both possessing and selling illegal drugs, and the periods of ineligibility are different, the student will be ineligible for the longer period.

A student regains eligibility the day after the period of ineligibility ends or when he successfully completes a qualified drug rehabilitation program. Further drug convictions will make him ineligible again.

Students denied eligibility for an indefinite period can regain it only after successfully completing a rehabilitation program as described below or if a conviction is reversed, set aside, or removed from the student's record so that fewer than two convictions for sale or three convictions for possession remain on the record. In such cases, the nature and dates of the remaining convictions will determine when the student regains eligibility. It is the student's responsibility to certify to KVCC that she has successfully completed the rehabilitation program.

When a student regains eligibility during the award year, KVCC may award Pell, and Campus-based aid for the current payment period and Direct loans for the period of enrollment.

Standards for a qualified drug rehabilitation program

A qualified drug rehabilitation program must include at least two unannounced drug tests and must satisfy at least one of the following requirements:

- Be qualified to receive funds directly or indirectly from a federal, state, or local government program.
- Be qualified to receive payment directly or indirectly from a federally or state-licensed insurance company.
- Be administered or recognized by a federal, state, or local government agency or court.
- Be administered or recognized by a federally or state-licensed hospital, health clinic, or medical doctor.

Some Important Financial Aid Tips

Check the KVCC web site – You can access financial aid information easily and conveniently by using the KVCC website, <http://www.kvcc.me.edu/Pages/Financial-Aid/Financial-Aid-Home>. Financial aid policies, procedures, and forms are all posted on the website. Some of the forms can be filled out online and electronically submitted to the Financial Aid Office. Others can be downloaded and mailed in. You can check your personal financial aid account online, through a link on the My KV Student Information Portal. You will receive only one paper award letter annually, so check your personal financial aid account frequently for updates or changes.

Check your KVCC e-mail address frequently. Scholarship information, and important notices and deadlines will be sent to you throughout the year via e-mail. All incoming students are given a KVCC e-mail address. If you do not have a computer at home, you can check your mailbox at the computer lab on campus.

Check with the Financial Aid Office if you stop attending—do not just “disappear.” If you have attended KVCC at least one day and stop attending all classes before the end of a semester, (which means you have totally withdrawn, either officially or unofficially), regulations require the Financial Aid Office to perform, in accordance with a federal formula, a “Return to Title IV” funds calculation. This calculation determines, (based on your withdrawal date, your last date of attendance, or if that is unknown, the mid-point of the semester), how much financial aid was not actually earned and must be returned to the Department of Education. So, it’s possible, if you withdraw or “disappear” before completing 60% of the semester, that you could **owe money**. If circumstances require you to stop attending, check with the Financial Aid Office to see if there might be financial consequences.

Maintain Satisfactory Academic Progress. – Make sure that you successfully complete courses and keep up your grades in order to continue receiving grants, loans or work-study. (See the Satisfactory Academic Progress Policy on the KVCC web site.)

Know your credit load. – Be aware of how many credits you are taking (you can get this information from the Registrar or from your advisor). If you drop or add credits (courses), it can affect your financial aid, so check with the Financial Aid Office when you make changes. If you have a student loan, you must be registered for at least six credits each semester. If you drop below that, you will immediately lose your loan eligibility and your in-school deferment status. If the number of credits you are taking changes from fall to spring, please contact the Financial Aid Office.

Keep all paperwork. – Keep copies of all the written materials related to your loan that you receive either from KVCC or from your lender.

Sign up for the  financial awareness program – \$ALT is a free, non-profit backed resource to assist students to take control of their finances and student loans. KVCC has teamed up with \$ALT to offer its services (which include help with student loan procedures, budgeting, job search lists, information on preparing a resume, identity theft, building credit, advice on letters of recommendation, etc.). **Activate your free membership from Kennebec Valley Community College at www.saltmoney.org/kvcc.**

For further financial aid information, please contact the Financial Aid Office, located in the Enrollment Services Center in the Frye Building: 207-453-5160.

KVCC is an equal opportunity/affirmative action institution and employer. For more information, please call John Connolly at 453-5117.