

## Understanding the Financial Aid Process

The Office of Student Financial Services at the AIHT Education is committed to helping you navigate and understand the financial aid process. We participate in a variety of federal and state including grants & loans. This handbook is your guide to the financial aid programs and policies at the AIHT Education. Please read it carefully so you can become familiar with the process of applying for financial aid, know what programs are available, and understand what you must do to remain eligible to receive financial aid while you are a student.

If, after reading this guide you are unclear about any information or have additional questions, our office is ready to answer your questions.

## What Is a Financial Aid Award Package?

While students and their families are primarily responsible to pay for the student's education, financial aid is made available to assist students when family resources are not sufficient to meet costs.

A financial aid award package is the total amount of financial aid offered to a student by all sources. It is made up of components from one or more of the following three categories: grants, federal loans and the Federal Work-Study Program. Total student aid cannot exceed the total cost of attendance.

The financial aid award package contains the sources and amounts of aid that you are eligible to receive. The award package contains the terms and conditions for receipt of the financial aid. It is your responsibility to understand and comply with these terms. Please read it carefully. Use the information on the award package to calculate your estimated cost.

## Federal Grants

### *Pell Grants*

Pell Grant amounts are determined each year by the federal government. Eligibility is determined by the student's Expected Family Contribution (EFC) as determined by the FAFSA. Incremental amounts are awarded according to the EFC. Pell Grants are available only to first-time undergraduate students. Graduate students are ineligible.

## Federal Direct Student Loans

To be eligible for these loans, students must file the FAFSA, which will be used to determine eligibility for subsidized and/or unsubsidized loans. Undergraduate students who demonstrate need may qualify for a portion of their loan to be subsidized. All students can qualify for unsubsidized loans regardless of income level. Students must enroll at least half-time (six credits) to qualify for any federal loans.

### *Subsidized Federal Direct Loan*

This loan is based on financial need. The federal government will pay the interest on the loan while the student is enrolled at least half-time in school. Available only for undergraduate students.

### *Unsubsidized Federal Direct Loan*

An Unsubsidized Direct Loan is not based on financial need. The student is responsible for the interest on this loan once it is disbursed to their account. Students may choose to pay the interest quarterly while in school or defer all accumulated interest until six months after they graduate, withdraw or drop to less than half-time enrollment. Once the loan goes into repayment, interest will be capitalized.

### *Loan Limits*

Federal Direct Loans are limited. The amount is determined by grade level as demonstrated in the chart below.

<b>Academic Year</b>	<b>Dependent Student</b>	<b>Independent Student</b>
1 (0-24Hrs.)	\$5,500 (*Max subsidized \$3,500)	\$9,500 (*max subsidized \$3,500)
2 (25-48Hrs.)	\$6,500 (*max subsidized \$4,500)	\$10,500 (*max subsidized \$4,500)
3 (49≤64 Hrs.)	\$7,500 (*max subsidized \$5,500)	\$11,500 (*max subsidized \$5,500)

## **The Direct Student Loan Application Process**

In order to apply for a Direct Student Loan, the FAFSA must be completed first. School will explain you and provide you information on your loan eligibility. You must complete Direct Loan Form with us before we apply for the loan. New borrowers must complete the online Master Promissory Note (MPN) and Entrance Counseling for the Federal Direct Student Loan.

***Master Promissory Note and Entrance Interview Website: [studentloans.gov](http://studentloans.gov)***

Students will need their federal FSA ID from the FAFSA to complete the MPN online. Students must complete the MPN and Entrance Counseling online. Paper applications are not available. Computers are available for student use if needed.

## **Federal Direct Parent PLUS Loan**

PLUS Loans are available to credit-worthy parents of dependent undergraduate students. Parents may borrow up to the cost of education less all other financial aid. There is no application fee; there is, however, an origination fee. After the proceeds are disbursed to the school, the parent should contact the loan servicer to arrange repayment immediately, pay interest only, or defer payment completely until the student is no longer enrolled in school. Repayment can be scheduled for up to 10 years. FAFSA completion is required prior to applying for the Parent PLUS loan.

***Parents should complete the PLUS Loan process online at [studentloans.gov](http://studentloans.gov)***

PLUS Loans have a 180-day credit expiration period. This means that the first disbursement of the loan has to be within 180 days of the credit approval.

When determining the amount of grants and loans awarded to eligible students, the Student Financial Services uses the Expected Family Contribution (EFC) as determined by the FAFSA. The EFC is deducted from the student's total cost of education (tuition, fees, room and board, books/supplies and other personal expenses) to arrive at the student's total financial need.

## **Cost of Attendance – Expected Family Contribution (EFC) = Total Financial Need**

Eligibility for Federal Pell Grant grants are first reviewed and, if eligible, deducted from the financial need then the student is considered for all other aid programs. Total aid cannot exceed the cost of attendance.

## Verification Process

Student Financial Services will verify the accuracy of all FAFSA applications selected by the Federal Processor. It is recommended that students who are selected for verification use the IRS Data Retrieval tool on the on-line FAFSA application. This will allow federal 1040 tax information to automatically populate the correct data fields.

Please do not make any changes to the information once it is transferred. Doing so will invalidate the verification process.

Students selected for verification may be required to provide tax transcripts from the IRS. Dependent students must supply both student and parent tax information. In addition, the Verification Worksheet must be completed and signed. Other documents may be required as determined by the information on the FAFSA.

## Changes in Awards

Financial aid awards are subject to change. Awards may be revised due to verification, change in enrollment status, housing status, requirements not met and/or receipt of aid from outside sources.

## Disbursement of Financial Aid Funds

Financial aid is typically awarded for the whole academic year; therefore, one half of the total award will be applied at the start of the academic year and the other half toward the mid-point of the academic year. Financial aid funds are disbursed once all eligibility requirements have been met, and liability for tuition and fee charges are established.

Eligibility requirements for federal aid include enrollment status, academic progress, complete verification, citizenship or permanent residency, selective service registration for males, and receipt of final high school transcripts and/or proof of high school or GED completion. Other loan eligibility requirements include completion of Promissory Notes and Entrance Counseling.

## Debt Management and Exit Counseling

### *Managing Your Debt*

This is an important issue for all college students. The rising cost of tuition, fees, books and supplies has led to a major increase in student loan borrowing as well as credit card use.

If you use credit cards to supplement your costs or living expenses you will have an additional financial burden while repaying your student loans. We encourage you to borrow sensibly and prepare a monthly budget to calculate your expenses and salary before you use that credit card.

If you need further assistance, contact your lender for Loan Consolidation and / or following for further information.

### ***Options for Resolving Student Loan Default***

- ✓ Payment in Full
- ✓ Repayment arrangements
- ✓ Loan consolidation
- ✓ Loan rehabilitation

Contact your lender for further information. Don't know who your lender is? Go to the National Student Loan Data System (NSLDS) Student Access Web site at [www.nslds.ed.gov](http://www.nslds.ed.gov) to learn the current holder or guarantor.

### ***Exit Counseling***

The US Department of Education requires all students with outstanding loans to complete an online Exit Counseling whenever a student leaves a school (Completed, Withdrawn, or Terminated) program. This is to be sure that you understand your loan responsibilities and to assist you in planning to meet them. Please click the following link and complete your [Exit Counseling](#).