



**“UNDERSTANDING YOUR FINANCIAL AID”
HANDBOOK**

2021-2022

Table of Contents

Introduction	4
Using the Financial Aid Handbook	4
Student Financial Services Office.....	5
Financial Aid...What is it?	5
FAFSA: How to Apply for Financial Aid	6
Take Time to Complete an Error-Free FAFSA Application	6
Federal School Code for Rivier University	6
Federal Verification Process	6
Receiving Financial Aid.....	7
Scholarships and Grants	7
Federal Direct Loans for Students	7
Loan Entrance Counseling and Master Promissory Note (MPN)	8
Federal Direct Loans for Parents	9
Private Student Loans /Alternative Loans.....	9
Repaying Your Student Loans	9
Difficulty Paying Back Student Loans	9
What’s New for 2021-2022?	10
Loan Origination Fees and Interest Rates	10
Maximum Eligibility Period for Stafford Loans	10
Direct Subsidized Loans	10
Qualifying Income for Automatic Zero EFC Reduced	10
Verification Changes.....	11
Pell Grant Eligibility	11
Repeating Coursework	11
Newly Admitted Transfer Student Eligibility	11
Dropping and Adding Classes	12
Determining Cost of Attendance	12
What is Cost of Attendance?	12
What Does the Cost of Attendance Include?	12
What Will It Cost to Attend Rivier University?	12
How Does Cost of Attendance Influence Financial Aid?	13
How Much Financial Aid Will I Receive?	13
What is the EFC?	13
FAQs	14
Federal Financial Aid Programs	16
Federal Pell Grant	16
Federal Supplemental Educational Opportunity Grant (FSEOG).....	16

Federal Work Study	17
Federal Direct Loans	17
Dependent vs. Independent	18
Professional Judgment Override for Dependency Status	19
Federal Direct Loan Interest	19
Federal Direct Loan Fees	20
Disbursement of Financial Aid	20
Understanding Your Financial Aid Award Letter	20
Reading Your Award Letter	20
Accepting Your Financial Aid Award	21
Completing the Financial Aid Award Letter Process	21
Revised Awards	21
Additional Financial Aid Awards	22
What is an Over Award of Financial Aid?	22
How Do Over Awards Occur?	22
Veterans Benefits	23
Rivier and Donor-Funded Scholarships	24
Financial Aid Policies	24
Satisfactory Academic Progress Policy	24
Return of Title IV Funds for Financial Aid Students Who Withdraw/ Drop All Courses	25
Withdrawal Procedure.....	26
Student Rights and Responsibilities	26
Complete a FERPA Authorization Privacy Release Form	26
Students' Rights	26
Students' Responsibilities	27
Consortium Agreement	27
Other Sources of Information	28
Glossary of Terms	29
Acronyms	29
Vocabulary	29

Introduction

Using the Financial Aid Handbook

This handbook is designed to provide you with important information regarding financial aid, financial aid terms, eligibility, policies and procedures, and your rights and responsibilities as a student loan borrower. Please read the contents of this handbook carefully. It is your student guide to information about the financial aid programs and policies at Rivier University. This is one of the many channels of communication the Student Financial Services Office maintains to generate an effective financial aid support system for students.

The handbook is intended to:

- provide valuable guidance for you to navigate through the financial aid process
- build your confidence through the development of improved financial aid literacy
- familiarize you with the process of applying for financial aid, tell what programs are available, and enhance your understanding about what you must do to remain eligible for financial aid while in school.

Should you need further explanation of the items covered in this handbook, contact the Student Financial Services Office.

The Student Financial Services Office – Federal School Code - 002586

The Student Financial Services Office hours of operation are Monday through Friday 8:30 am until 5:00 pm. You are encouraged to visit anytime during business hours to have your financial aid and student account questions and concerns answered, your forms reviewed for accuracy, and to complete any additional forms or application materials you may need. You may also book an appointment online here - <https://www.rivier.edu/sfsappointment>

► You may visit, call, email or write for more financial aid information:

Call603-897-8488
Email.....sfs@rivier.edu
Fax..... 603-897-8814

► Send correspondence to:

Rivier University
Attn: Student Financial Services Office,
420 S. Main St.
Nashua, NH 03060

Financial Aid...What is it?

Financial Aid is funds awarded to students to help pay educational costs. **It is classified into three basic types:** *grants and scholarships*, which are funds awarded that typically are not required to be repaid, *work-study employment* (work, either on or off campus), and *student loans*, which is money borrowed from the federal government, the university, or an alternative lender. **All student loans must be repaid, including interest.**

The primary purpose of financial aid is to ensure all students have an opportunity to obtain a college education, and that no student will be denied that opportunity because of lack of funds. Most financial aid is awarded to students based on how much money is needed to meet college costs. The financial aid application process is set up to uniformly measure how much financial assistance each individual student needs for college based on the individual circumstances of the student and the student's family. **Financial aid is distributed according to a variety of eligibility criteria within two categories:**

- *Need-based Aid:* You are awarded need-based aid to help make up the difference between your total cost to attend the University full-time and the amount of your *expected family contribution or EFC* (see page 13) as determined by the federal government.
- *Non-need Based Aid:* You may use non-need based aid to replace your family contribution if you meet the necessary eligibility criteria, which may vary depending on the program.

Important Note: The total amount of financial aid (need and non-need based) awarded to you cannot exceed your total *cost of attendance* (see page 12).

Almost all students at Rivier University receive some form of financial aid. To be considered eligible for financial aid, a student must:

- Be a U.S. citizen or eligible non-citizen.
- Have a valid Social Security number;
- Have a high school diploma, or GED
- Maintain *satisfactory academic progress* (see page 24)
- Be enrolled in an eligible degree or certificate program.
- Demonstrate financial need as determined by review of the Free Application for Federal Student Aid (FAFSA).
- Not be indebted to any institution for repayment of any federal grant (Pell or FSEOG) or in default on any federal loan (Perkins or Direct Loan).
- If you are a male born after December 31, 1959 and are at least 18 years old, you are required to register with the Selective Service System.
- Comply with the Federal verification process, if selected.

FAFSA: How to Apply for Financial Aid

The single most important form that you will complete in the financial aid process is the Free Application for Federal Student Aid (FAFSA). Rivier requires students to complete the FAFSA online at <https://studentaid.gov/> from home or at one of the self-serve computers located on campus in the Regina Library, in the computer labs, or the Student Financial Services Office. **A new FAFSA must be filed after October 1st each year.** After the first year of receiving aid, returning students will receive a [FAFSA Renewal Application](#) notification, which contains pre-populated information from the previous year's FAFSA application. Keep in mind that eligibility for financial aid may change significantly from year-to-year depending on things such as current economic status or number of family members enrolled in college.

Rivier University, along with most schools, recommends that your FAFSA be completed no later than June 30 each year. It is also recommended that you apply early, but not before October 1st of each new academic year. You do not need to be admitted to the University before you submit your FAFSA application. Rivier's priority deadline is March 1st. However, your financial aid eligibility will not be assessed until you have applied. If you would like to be considered for work-study employment, you should indicate it on the FAFSA. Priority for work-study employment funds will be given to applicants who are new students seeking student employment for the first time or returning students continuing in prior student employment positions.

Take Time to Complete an Error-free FAFSA Application

Read the FAFSA instructions carefully to assure that you understand what information is requested. Each item must be completed. An incomplete FAFSA will delay processing of your financial aid. You must report information that is accurate at the time that you complete the application. Report your name and your social security number on the FAFSA exactly as they appear on your social security card. If you are single, under the age of 24, and have no dependents, you must provide parental information and signatures in order to be considered for all available funds-*Dependent vs. Independent* (see page 18).

Federal School Code for Rivier University - 002586

You must correctly identify Rivier University on the FAFSA as the institution that you plan to attend in order to ensure that the results are sent here. The federal code for RIVIER is 002586.

Federal Verification Process

Your FAFSA application may be selected for review as part of the Federal Verification process. Rivier is required by the Federal Government to screen these samplings of applications to ensure that aid delivery is completed accurately, expediently, and with integrity. If selected, you will be required to provide additional documentation, such as a Federal tax return transcript. In addition, any awarded financial aid will not be disbursed until all of the requested documentation is received and reviewed. **In addition**, additional information will be required if there appears to be **conflicting information on your FAFSA**. As in the Verification process, any awarded aid will not be disbursed

aid until all of the requested documentation is received, reviewed, and verified. Students will be notified of any changes to their aid.

Institution (Rivier) Merit Scholarships

In addition to completing the FAFSA to be considered for need-based aid, Rivier's Admissions Office will award merit aid to full-time day undergraduate students. Students may contact the Office of Admissions for information on scholarship eligibility requirements, or access the Rivier website at www.rivier.edu for more information.

Receiving Financial Aid

Before accepting a financial aid package or *Award Letter*, make sure you fully understand all options and responsibilities. **If you do not fully understand your financial aid package, contact the Student Financial Services Office.**

The financial aid award offer will specify the types and amounts of financial aid available to a student while attending Rivier. The Student Financial Services Office encourages all students to carefully review their financial aid offer and consider all available options provided to assist students in financing their education. Financial aid offers are individualized and reflect the student's eligibility based on the information provided by the student and/or the parents for *dependent students* (see page 18) on the FAFSA. The offer also factors in a student's grade level and funding levels. All financial aid recipients are encouraged to learn more about the financial aid programs offered in their award letters.

Scholarships and Grants

Scholarships and grants are your first stop in the process of finding money for college. It is a vital piece of the financial aid system because scholarships and grants provide money that generally does not have to be paid back, they provide access to money, which students may otherwise be ineligible for, and when used in accordance with IRS guidelines, scholarship funds are tax-free. **Scholarships and grants are the preferred form of financial assistance.** Rivier is committed to first assist students in exhausting all grant and scholarship financing options before recommending student loans (federal or private).

Federal Direct Loans for Students

Rivier University participates in the William D. Ford Federal Direct Loan program. Federal Direct loans are fixed-rate student loans for undergraduate students attending at least half-time. After grants and scholarships, Direct Loans are the most common and one of the lowest-cost ways to help pay for school. These loans can be used to pay tuition and other school expenses.



*The most important thing to remember about Federal Direct Loans is that they are just that – **LOANS** – and they must be paid back.* Make sure you are borrowing responsibly; always consider how much you are borrowing and whether you will be able to afford to pay back those loans. Want to get an idea of what your payment might be? Go

here - [loan calculator](#).

Loan Entrance Counseling and Master Promissory Note (MPN)

The first time you elect to receive a federal direct student loan while attending Rivier, you will be required to complete the online **Loan Entrance Counseling** and sign a **Master Promissory Note**. To begin both tasks, log on at <https://studentaid.gov/>. You will need your FSA ID to sign in.

Federal Student Aid | StudentLoans.gov | Log In | Español | MENU

Log in to StudentLoans.gov with your verified FSA ID

LOG IN

Create an FSA ID
Natural Disasters

Find out your student loan repayment options here

Undergraduate Students

Graduate/Professional Students

Parent Borrowers

Repayment & Consolidation

The first step in getting student aid is completing the Free Application for Federal Student Aid (FAFSA) at www.FAFSA.gov. You must do this every year.

- Complete Entrance Counseling
- Complete Loan Agreement for a Subsidized/Unsubsidized Loan (MPN)
- Complete Financial Awareness Counseling
- Complete Exit Counseling
- Use the Repayment Estimator
- Complete TEACH Grant Initial and Subsequent Counseling
- Complete TEACH Grant Agreement to Serve
- Complete TEACH Grant Exit Counseling

How To Create An FSA ID

For a comprehensive guide on federal loans – go here

<https://studentaid.ed.gov/sa/sites/default/files/loan-entrance-counseling.pdf>

The Master Promissory Note (MPN) is the online process that a first time Direct Loan borrower at Rivier needs to complete. This is the legal document where you will be agreeing to repay your student loans. Be prepared to provide two names for reference, addresses, and phone numbers. You will be asked to provide your FSA ID in this process because it will serve as your legal signature on the MPN. Use your legal name as it appears on your Social Security card. Be sure to print and file a copy of the MPN for your records. It is recommended that you log off and then log back into the site to check the status of your MPN to make certain it is complete.

Federal Direct Loans for Parents (PLUS Loan)

Parents who want to help their undergraduate children afford college are also able to borrow federally guaranteed loans called PLUS loans (Parent Loans for Undergraduate Students). Contact Student Financial Services for more information on Federal Student Loans for Parents or log on at <https://studentaid.gov/>. Under the Parent Tab, click “I want to apply for a Parent PLUS Loan.”

Private Student Loans (also called Alternative Loans)

When federal financial aid is insufficient or education expenses exist outside of the coverage of federal student loans, private student loans can be used to fill the gap between federal financial aid and the full *cost of attendance* (see page 12). Private lenders offer private loans and there are no federal forms to complete. Eligibility for private student loans often depends on your credit score. Rivier is committed to first assist students in exhausting all grant, scholarship, and federal loan financing options before recommending private student loans.

Repaying Your Student Loans

The process of repaying your student loans is even more important than the process of getting them. Prompt, on-time payments build a positive credit history and help you obtain additional needed credit in the future after your education goals are complete. Missing payments or defaulting on loans will do the exact opposite. There are a number of different options to help you repay your student loans, from payment plans to loan consolidation, which is combining your existing Federal education loans into one new consolidated loan that offers several advantages.

Difficulty Paying Back Student Loans?

The Department of Education provides valuable information resources that can help students avoid difficult circumstances or default when paying back student loans. Please go here - [Federal Student Aid](#) to request information on deferments, forbearance, default prevention, and rehabilitating defaulted loans. For a comprehensive guide on exit counseling, repayment options, loan forgiveness and more – go here - <https://studentaid.ed.gov/sa/sites/default/files/loan-exit-counseling.pdf>

What's New for 2021-2022?



Loan Origination Fees and Interest Rates

The Loan Origination Fee is currently 1.057% for subsidized and unsubsidized loans and 4.228% for PLUS loans first disbursed after 10/1/20 and before 10/1/21. Origination fees are a percentage of the loan amount and is proportionately deducted from each loan *disbursement*. The interest rates for Direct Subsidized Loans and Direct Unsubsidized Loans are shown in the chart below. Rates below are for 2020-21.

LOAN TYPE	BORROWER TYPE	*INTEREST RATE
Direct Subsidized	Undergraduate	2.75%
Direct Unsubsidized	Undergraduate	2.75%/4.30% for graduates
Direct PLUS	Parent of Student	5.30%

Maximum Eligibility Period for Federal Direct Subsidized Stafford Loans

Effective July 1, 2013, first time and new Federal Direct Subsidized Loan borrowers are limited for the time they qualify for an interest subsidy. Students who have exceeded 150 percent of the published length of their current educational program will be ineligible for additional Federal Direct Subsidized Loans (though they may borrow a Federal Direct Unsubsidized Loan) and be responsible for interest on all loans accruing after exceeding the 150 percent limit. For more information, [visit the Federal Student Aid website](#).

Direct Subsidized Loans

Direct Subsidized Loans do not accrue interest while a student is enrolled in school at least half-time and during the six (6) month grace period before a student's first loans go into repayment.

Qualifying Income for Automatic Zero (0) EFC Reduced

The automatic zero EFC is a status where, because of low income, a student automatically has a zero EFC. The income threshold for the parents of dependent students and for independent students and their spouses is \$26,000 or less (for an automatic zero EFC) and for independent students, those without dependents other than a spouse cannot receive an automatic zero EFC.

Verification Changes

The most recent guidance issued by the Department of Education is for the 2020-21 academic year. Certain applicants will be required to provide untaxed income and or household resources information.

IMPORTANT NOTE: To help streamline the verification process and to reduce the amount of documentation that may be requested, we encourage all students to use the IRS Data Retrieval Tool when completing the FAFSA.

Pell Grant Eligibility

The duration of Pell Grant eligibility remains to the equivalent of 12 full-time semesters. **The Federal Pell Grant maximum award for 2020-2021 Award Year is \$6345.**

Repeating Coursework

New federal regulations limit eligibility for Title IV federal aid due to repeated courses. Students may only receive Title IV federal aid for the first retake of a previously passed course. In addition, any subsequent retakes (after the first retake) of a previously passed course will not count towards the student's actual enrollment for Title IV funding purposes. **The policy allows a student to receive financial aid under the following situations:**

- To repeat any failed course until a passing grade is received.
- To repeat one time any course in which you previously received a passing grade.

Newly Admitted Transfer Student Eligibility

Newly Admitted Transfer Students must meet all satisfactory academic progress (SAP) requirements prior to the start of their first term at Rivier. Financial aid SAP status is based on the student's entire academic record, at all schools attended, regardless of whether financial aid was received. **Newly admitted transfer students** will have SAP calculated on final academic transcript(s) from all schools attended.

Students with an Unsatisfactory SAP status are ineligible for federal student aid at Rivier. Students will remain ineligible for federal student aid unless they successfully appeal or until their academic record is once again in compliance with the SAP Policy. Students who are ineligible for federal student aid may continue to attend Rivier at their own expense and be liable for all educational costs. The complete SAP Policy is available upon request from the Student Financial Services Office and it can be found on the Rivier website at www.rivier.edu.

Dropping/ Adding Classes

New, stricter rules, require students to attend and complete their enrolled hours, or pay their financial aid back, even if they still owe tuition. Please contact the Student Financial Services Office **BEFORE** you add or drop classes. Both may significantly affect your financial aid award.

Note that the above changes or new items are not all-inclusive and are meant to provide a brief summary of updated or changed Federal Department of Education Regulations. Please contact the Student Financial Services Office regarding specific questions or concerns.

Call 603-897-8488
Email..... sfs@Rivier.edu
Fax..... 603-897-8814

Determining Cost of Attendance

What is Cost of Attendance?

In simple terms, the Cost of Attendance (also called Budget) is an estimate of how much money will be needed to attend Rivier for one year, including all reasonable expenses. Rivier University provides the cost of attendance in its award letters and in the students' financial aid portal, Net Partner.

What Does the Cost of Attendance Include?

Costs are categorized as direct educational costs and indirect living costs. Direct costs include tuition, books, fees, room and board (if a resident) and supplies. Indirect costs include housing, board (meals), transportation, and other personal expenses such as utilities, auto payment, insurance (auto and health), medical and dental expenses, Federal/State taxes, loan fees, etc. Rivier may also include in the cost of attendance, if appropriate, expenses such as personal computer cost, internet access fees, childcare expenses, and even disability related expenses. **Expenses incurred only while you are enrolled** are used to determine the cost of attendance. Your actual expenses can depend on your program of study, standard of living, academic classification, place of residence, marital status, and numerous lifestyle choices that you make.

What Will It Cost to Attend Rivier University?

As expected, educational costs at River depend on your living arrangement (on-campus, with parents, off campus), the number of hours enrolled and your living expenses. For an up-to-date estimate of average direct costs, see the Rivier web site or Net Partner, the student financial aid portal.

How Does Cost of Attendance Influence Financial Aid?

The Cost of Attendance is one of the factors used by the university to determine the financial aid eligibility of a student. This involves determining the student's cost of attending, subtracting the student's *EFC* (see page 13) and then awarding financial aid to meet the difference between the two. The difference is the student's demonstrated financial need:

$$\begin{array}{r} \text{Cost of Attendance} \\ - \text{Expected Family Contribution (EFC)} \\ = \text{Student's Demonstrated Financial Need} \end{array}$$

Students will not be allowed to receive financial aid over and above their cost of attendance, regardless of the sources of funds. This includes, but is not limited to: federal, institutional, donor or external grants, gifts and scholarships. Students who incur expenses in excess of their cost of attendance may file an appeal to the Student Financial Services Office. Along with the letter of appeal, students must submit supporting documentation of expenses above the cost of attendance.

How Much Financial Aid Will I Receive?

Although many factors help to determine the amount you receive, *your Financial Aid award is based primarily on your demonstrated financial need*. As previously stated, your demonstrated financial need is the difference between the cost of attendance and the amount you and your family are expected to contribute. You must complete the FAFSA each year to have your need determined. Once you are accepted to the University and your financial aid folder is complete, the Student Financial Services Office will send you a *Financial Aid Offer Letter* that outlines how much financial aid you may receive.

What is the EFC?

The Expected Family Contribution (EFC) is the amount a family can be expected to contribute toward their student's college costs. You and your family are primarily responsible for financing your education. You are expected to contribute to your college expenses from sources that may include savings, summer earnings, monetary gifts from friends and relatives or other sources. **Financial aid should be viewed as a supplement to your family's contribution.**

The income and asset information that you (and your parents, if you are a dependent student or your spouse, if married) provided on the FAFSA enables the U.S. Department of Education's Central Processing System (CPS) to determine your expected family contribution. Certain allowances such as the standard cost of living, retirement needs, and future indebtedness are considered and subtracted from total income and assets. Their

formula, more commonly known as the EFC formula, is used to determine the EFC and ultimately determine the need for financial aid assistance from the following types of federal student aid:

- Federal Pell Grant
- Federal Direct Loans (through the William D. Ford Federal Direct Loan Program)
- Campus-based programs:
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Federal Work-Study (FWS).

The Rivier Student Financial Services Office uses the information from the Free Application for Federal Student Aid (FAFSA), including the EFC, to develop your financial aid package. This package specifies the types and amounts of assistance, including non-federal aid; you will receive to cover your education-related expenses up to the Cost of Attendance. **More FAQs...**

Q: How much does it cost to file the FAFSA?

A: Filing the FAFSA is free! Always file your FAFSA on the following website: <https://studentaid.gov/>. Other sites are privately owned and will charge you a fee.



Q: What is the best way to file my FAFSA?

A: Rivier requires you to submit the FAFSA online at <https://studentaid.gov/>.

By filing online, your FAFSA will be processed much faster than paper FAFSA applications.

Q: If my parents are legally separated or divorced but filed taxes jointly last year, do I need to include their joint financial information on the FAFSA?

A: No. Only the parent with whom you resided the longest during the preceding 12 months should provide financial information. If you did not live with either parent or lived with both equally, then the parent who provided the most financial support should provide financial information on the FAFSA.

Q: Do I need to include my stepparent's income on the FAFSA?

A: Yes. Your stepparent's financial information must be included even if he or she is not helping you pay for your education.

Q: My parents refuse to provide their tax information for the FAFSA. Can I still get aid?

A: Yes, but you will only be eligible for the unsubsidized Direct Loan, which means you must pay interest while attending college. However, if your inability to obtain parental information is due to unusual circumstances (parental incarceration, abuse, abandonment, etc.), you should contact the Student Financial Services Office to inquire about a dependency override, which will allow you to apply as an independent student.

Q: If I plan to get married after I file the FAFSA, should I list my status as married?

A: No. Because the FAFSA is based on the information provided on the date it was completed, your marriage status would be "unmarried" if you complete the FAFSA before you get married. However, once you get married, contact the financial aid office about updating your marital status.

Q: Can I use my financial aid to pay my rent?

A: You will receive a refund of any financial aid that remains after tuition and fees are paid. This refund can be used for other costs associated with going to college, including textbooks, supplies, and expenses such as rent.

Q: Will my financial aid cover my full tuition and fees cost?

A: Your financial aid awards are not guaranteed to cover the full cost of tuition and fees.

Q: I am not full-time; am I eligible for financial aid?

A: Yes, you may be eligible for certain types of federal student grants even if you are enrolled less-than-half-time. You may be eligible for federal student loans, if you are enrolled at least half-time. Rivier scholarships awarded to you based on fulltime enrollment will be rescinded.

Q: I am not degree seeking. Can I still get financial aid?

A: No. To be considered eligible for and to receive financial aid, a student must be degree-seeking.

Q: Why should I file the FAFSA when I know I won't qualify for aid?

A: Most student loan programs require the student to complete a FAFSA and many colleges and universities use the FAFSA info to award institutional grants and scholarships.

Q: Why must I provide my parents' information on the FAFSA?

A: The basic premise of federal financial aid is that the family is primarily responsible for educational expenses. Read the FAFSA instructions carefully to determine whether you are *dependent or independent* (see page 18). Dependent students must include their parent's information on the FAFSA.

Q: What do I do if I made a mistake on the FAFSA?

A: You can log on the FAFSA website at <https://studentaid.gov/> and click on "make corrections to a processed FAFSA, or you may contact the Student Financial Services Office for assistance. It is recommended that you consult the financial aid office before making changes. Not all changes require resubmitting the SAR to the Central Processor.

Q: Is my financial aid automatically renewed each year?

A: No. Financial aid is not automatically renewed. You must maintain financial aid eligibility and reapply early each year.

Q: Can I get a federal loan without applying for financial aid (filing the FAFSA)?

A: Loans are a type of financial aid, so you must complete the financial aid application steps to determine whether you are eligible for a student loan.

Federal Financial Aid Programs

The federal government is the largest provider of financial aid. Rivier University believes that it makes sense to know as much as possible about federal financial aid programs and to apply for federal financial aid funds before seeking out other non-federal financial aid sources

Federal Pell Grant

The **Pell Grant** is named after the late former U.S. Senator Claiborne Pell, Democrat of Rhode Island and was originally known as the Basic Educational Opportunity Grant.

Pell Grants are considered the foundation of federal financial aid, to which aid from other federal and non-federal sources might be added. It is gift aid that is awarded to the highest need students. Students are automatically considered for Pell Grant when they file the FAFSA. The Pell Grant, unlike a loan, typically does not have to be repaid. Pell Grants are awarded only to postsecondary students who have not earned a bachelor's or a professional degree. **The maximum Pell Grant award for the 2020-21 award year is \$6345.** The amount received will depend not only on financial need, but also on the student's cost of attendance, status as a full-time or part-time student, and the student's plans to attend school for a full academic year or less.

Important Note: The maximum award amount is given for any Pell Grant-eligible student whose parent or guardian died because of military service in Iraq or Afghanistan after Sept.11, 2001. You must be under 24 years old or enrolled at least part-time in college at the time of your parent's or guardian's death.

Federal Supplemental Educational Opportunity Grant (FSEOG)

FSEOG is a grant award for students with exceptional need (students with the lowest EFC). Students who are eligible for Pell Grant receive first priority consideration for FSEOG. Students are automatically considered for FSEOG when they complete the FAFSA. Awards vary depending on level of need, and the amount of funding available at RIVIER. The average awards range from: \$250 - \$500. Recipients must be U.S. citizens or eligible non-citizens enrolled at least half-time.

Important Note: Since the FSEOG award is based on the availability of funding at Rivier, there is no guarantee that every eligible student will receive an FSEOG grant.

Federal Work Study (FWS)

FWS is a federal campus-based program that provides jobs for undergraduates who are enrolled at least half-time. Most jobs are on-campus (students working for the school), although some are off campus. Students seeking FWS must complete the Free Application for Federal Student Aid (FAFSA) and meet the general requirements for federal aid.

FWS funds are made available to undergraduate students with financial need. Campus employment includes a variety of opportunities within departments of the University. The specific working hours approved per week are arranged so they do not interfere with class attendance or academic progress. Students generally work 4-10 hours per week and may work during the summer under certain conditions. Students are paid at least the current federal minimum wage and are paid every two weeks. The total a student may earn depends on the amount of the student's financial aid award, which is determined by the Student Financial Services Office based on the funds available to the University. **Important Note:** Since the FWS award is based on the availability of funding at Rivier, there is no guarantee that every eligible student will receive a FWS award.

Federal Direct Loans

Direct Loans are made through the Department of Education. They are low-interest loans for students and parents to help pay for the cost of a student's education after high school. The lender is the U.S. Department of Education, though the entity you communicate with is your loan servicer. With Direct Loans, you:

- borrow directly from the federal government and have a single contact—your loan servicer—for everything related to repayment, even if you receive Direct Loans at different schools.
- have online access to your Direct Loan account information via your servicer's website or the Student Aid website at <https://studentaid.gov/>.
- can choose from several repayment plans that are designed to meet the needs of almost any borrower, and you can switch repayment plans if your needs change.

Loans are financial aid funds that are borrowed and then repaid after a student completes his/her program or stops going to school. Given that loans must be repaid from future earnings, **Rivier University recommends that students use all other possible resources first and borrow only when it's absolutely necessary.**

Students who wish to apply for a Federal Direct Loan must complete a FAFSA and be enrolled at least half-time. To ensure students are aware of all the provisions and responsibilities of borrowing from the educational loan programs, all loan students must attend a *Loan Entrance Counseling* (see page 8) before receiving the initial loan disbursement, and complete a *Loan Exit Counseling* (see below) before graduation or leaving Rivier. There are two types of Federal Direct Loans:

- **Subsidized Direct Loans**: Students who are enrolled at least half-time and who demonstrate financial need through the financial aid application process can have the interest paid on Subsidized Direct loans by the federal government while they are in school.
- **Unsubsidized Direct Loans**: Students who are at least half-time, but who do not demonstrate need for Direct Loans may still obtain the Unsubsidized Direct loan, however, interest will start to accrue at disbursement and while the student is in school. Students are advised to pay on this interest while still attending school.

Students do not have to begin repaying the principle of either type of loan until after they leave school or, after they stop attending half-time. There is a 6-month *grace period* (see page 36) on the federal Direct Loans (subsidized and unsubsidized). The Student Aid website is a great tool for managing your loan accounts, changing your address, making online payments, and for finding forms for deferments, forbearance and such. That site is: <https://studentaid.gov/>.

Remember, if you take a semester off from school, you can anticipate that your loans will go into repayment before you re-enroll for a later semester. You receive only one 6- month grace period. Expect to start repaying your loans quickly if you previously took a break in your enrollment.

For Federal **Direct Loans**, you are required to complete the **Exit Loan Counseling** if you stop attending at least half-time, leave school, or if you graduate. You will use your FSA ID to login. Direct Loan Exit Counseling will be personalized for you. You will have a chance to review the different loan repayment plans offered. Go to <https://studentaid.gov/> to complete your exit counseling after enrollment.

Dependent vs. Independent

The U.S. Department of Education considers a student to be a **Dependent** student up until the age of 24 except in certain circumstances. If you are 21 years old and have been living on your own for a couple of years, you are considered dependent and you will need your parent's information when filling out the FAFSA. Below is the U.S. Department of Education's list of criteria for **Independent** status. If none of the criteria applies to you, you are a dependent student – even if your IRS tax status is different and even if you have no idea where your parents are.

- You are 24 years or older on the day you file your FAFSA
- You are married on the day you file your FAFSA
- You are a parent
- You have dependents other than your spouse who live with you and who receive more than half their support from you at the time you apply
- Both your parents are deceased, or you were, until age 18, a ward of the court

- You are currently serving on active duty in the U.S. Armed Forces for purposes other than training
- You are a Veteran of the U.S. Armed Forces
- You were a foster child after the age of 13
- You are an emancipated child as determined by a court judge
- You are homeless or at risk of homelessness as determined by the director of a HUD approved homeless shelter, transitional program, or high school liaison

Professional Judgment Override for Dependency Status

In rare cases, Rivier's Student Financial Services Office can override the FAFSA results to help you get more aid if you can demonstrate a compelling case that your parents and family provide absolutely no support, and therefore you are not really a dependent. This is called a *Professional Judgment Override* and while they are granted *rarely*, they do exist.

If you need a professional judgment override for dependency status, gather up as much documentation as you can, from rent bills to utility bills to the legal judgment from a court emancipating you from your parents and bring it to the Student Financial Services Office for possible assistance. Keep in mind that in the case of Dependency Overrides, the federal guidelines are extremely clear. Being self-supporting or just because you feel mature enough or responsible enough to be on your own does not erase your parents' obligation to assist you with your education. To be considered for a Dependency Override, you must prove that there was an involuntary dissolution of the family. This means you were forced to leave your parents' home and have no contact with them. You must explain, in detail, why you cannot live with your parents. You must provide official third party letters, on letterhead, that back up your claim.

Federal Direct Student Loan Interest

For borrowers who received their loans on or after July 1, 1994, the interest changes annually (adjusted each year on July 1) and is based on the Federal Treasury Bill rate. However, interest will never exceed 8.25%. Go here for current rates - <https://studentaid.ed.gov/sa/types/loans/interest-rates>.

If you have a **subsidized loan**, you will not be charged interest while you are enrolled in school at least half-time or during any authorized period of deferment. If you have an **unsubsidized loan**, you will be charged interest from the day the loan is disbursed until it is repaid in full, including while you are in school, during the six-month grace period, or during any authorized period of deferment. You have the option to pay the interest during these periods. If you choose not to pay the interest on unsubsidized loans during these periods, it will be capitalized (added to the principle when repayment begins).

Monthly payments, which begin six months after enrollment stops or drops below half-time, are based on the total amount borrowed, but will never be less than \$50 per month. In addition to the FAFSA, these loans have additional requirements (see page 8 or contact the Student Financial Services Office).

Federal Direct Student Loan Fees

Borrowers are charged origination fees and insurance fees, which combined cannot exceed 4% of the amount borrowed and they are deducted from your loan before it is disbursed to you (see current rate and fees chart on page 10).

Disbursement of Financial Aid

Pell Grants and Federal Direct Loans are usually disbursed in two installments during the academic year (one disbursement each semester). Disbursements are usually available at the end of the fourth week of classes.

Federal Work-Study checks are disbursed at bi-weekly intervals based on the amount of time worked and reported on the time sheet for the prior two-week period.

All financial aid funds, except Federal Work-study, are applied first toward the student's balance due. Refunds are disbursed by the Rivier Student Financial Services Office through our refund processor. Students who pick up refund checks in person must provide a photo proof of identity.

Understanding Your Financial Aid Offer Letter

Reading Your Financial Aid Offer Letter

The Financial Aid Offer Letter breaks down exactly the types of financial aid for which you are eligible. It is important that you read your award letter carefully to be sure you understand all terms and conditions so you can decide if you want to accept any, or all of the financial aid offered. If you wish to make changes to the award amount offer or if you want to accept a lesser amount of your loan offer, please contact the Student Financial Services Office. Your aid offer may be revised according to your actual enrollment at the time you register. Remedial courses, but not audited courses can be included in meeting the minimum required credit hours toward eligibility.

The most common sources of financial aid you will find on your Award Letter are

- Federal Pell Grant
- Federal Direct Loans (subsidized and unsubsidized)
- FSEOG Grant
- Rivier Merit Scholarships
- Federal Work Study

Accepting Your Financial Aid Offer

After you have been notified by email that you have a financial aid award offer, and you have reviewed your offer on Net Partner, you will need to accept or decline your financial aid awards. Awards need to be accepted before they can be credited towards your university-related charges and refunded to you for your living expenses. If you are not sure if you want to accept a particular award, you may delay that decision until later. If you have been offered a Direct Loan as part of your award package, you are not required to accept the maximum loan amount offered to you. You may choose to accept the full amount, accept a lesser amount, or decline the loan.

Please think through your financial situation for the upcoming semester. It is better if there are no changes to your financial aid award during the term. **Important Note:** Dropping below six credit hours will cause a decrease in your Pell award and make you ineligible for student loans.

Completing the Financial Aid Award Letter Process

Review your award package for accuracy. Make sure your name and address are correct. If you are aware of additional aid you will receive, you must inform the Student Financial Services Office. If you do not plan to attend Rivier University, please notify us immediately. You may accept aid from one source and not another. Please consider your needs when you accept or decline your awards for the entire year. The loan amount(s) offered in your award package is your maximum annual loan eligibility. You may accept the full amount, reduce the amount, or decline the offer. To reduce the loan amount, change the amount listed to the amount you would like to receive. Annual loan amounts are disbursed in two equal disbursements if there are no changes in your enrollment status.

The Student Financial Services Office must account for all sources of aid and the amounts, even if they are not processed directly through the office. **Your financial aid resources must not exceed your cost of attendance.** If they do, you have been *over-awarded* (see page 22). Regardless of the reason for an over award, the Student Financial Services Office is bound by Federal regulations to correct the over award. Exceptions cannot be made for anyone.

Revised Awards

The Student Financial Services Office anticipates that your award will remain as listed on the original award letter. However, if your circumstances change, your aid amount may be revised. If you (and your family) have special circumstances, such as a significant decrease of income, or unusual non-reimbursed medical expenses, you may have them considered in determining your eligibility for financial aid. Contact the Student Financial Services Office for further information. If your financial aid is revised, you may receive a new award letter. Your financial aid may be revised if you:

- Attend less than full-time

- Do not attend the University for fall and spring terms consecutively
- Receive scholarships, grants, or assistance from other outside sources not listed in your award package
- Receive funds for which you are not eligible
- Document expenses that were not reported on the FAFSA, such as childcare or disability related costs
- Fail to sign your Master Promissory Note loan application
- Are granted a revision to your award package due to special circumstances by the Student Financial Services Office.

Important Note: Financial Aid recipients must report all financial aid and scholarship awards received from outside sources to the Student Financial Services Office.

Additional Financial Aid Awards

You are required to report all aid that you receive from other sources that are not listed in the Award Letter in order to avoid being ***over-awarded***. If you are receiving a source of educational funding that is not listed on the award letter, you must inform the Student Financial Services Office by emailing our office at sfs@rivier.edu.

What is an Over Award of Financial Aid?

When the total of all financial aid assistance received by the student exceeds the student's cost of attendance, the student has been ***over awarded***. Federal over award regulations and provisions apply to all students receiving federal *need-based* aid, and demand that the student's awards be adjusted accordingly to eliminate any over award. If an over award occurs, the Student Financial Services Office will adjust (cancel or reduce) your award package in order to eliminate the over award. Federal Work-Study awards and loans will be reduced before any reduction is made to scholarship or grant awards.

How Do Over Awards Occur?

Over awards are primarily the result of the student receiving aid that the Student Financial Services Office was not aware of when it completed the student's financial aid package and/or processed a loan application for the student.

It is the student's responsibility to report all additional resources (financial aid assistance) to the Student Financial Services Office. This should be done as soon as the student becomes aware that he or she will receive the aid.

Veterans Benefits

Chapter 30: Montgomery GI Bill

The Montgomery GI Bill (MGIB) program provides up to 36 months of education benefits. This benefit may be used for degree and certificate programs, flight training, apprenticeship/on-the-job training and correspondence courses. Remedial, deficiency, and refresher courses may be approved under certain circumstances. Generally, benefits are payable for 10 years following your release from active duty. This program is also commonly known as Chapter 30.

Chapter 33: Post 9/11 GI Bill

The Post 9/11 GI Bill, which became effective Aug. 1, 2009, is for individuals who served at least 90 days of aggregate duty on or after Sept. 11, 2001. Individuals who served aggregate period of at least 36 months of active duty will receive 100% of the maximum benefits. Any individual that has served less than 36 months will get a percentage of the maximum benefit. An eligible veteran must have received an honorable discharge to be eligible for the program.



Rivier Participates in the Yellow Ribbon Program

The Yellow Ribbon GI Education Enhancement Program (Yellow Ribbon Program) is a provision of the Post-9/11 Veterans Educational Assistance Act of 2008. This program allows institutions of higher learning (degree granting institutions) in the United States to voluntarily enter into an agreement with the Department of Veterans Affairs (VA) to fund tuition expenses that exceed the highest public in-state undergraduate tuition rate. The institution can contribute up to 50% of those expenses and the VA will match the same amount as the institution. This award is meant to bridge the gap between Post 9/11 benefits and private university tuition and fees.



Chapter 35: Survivor's and Dependent's Education Assistance Program

Dependent's Education Assistance (DEA) provides education and training opportunities to eligible dependents of veterans who are permanently and totally disabled due to a service related condition, or who died while on active duty or as a result of a service-related condition. The program offers up to 45 months of education benefits. **Additional VA Programs include:**

-  Chapter 1606: Montgomery GI Bill-Selected Reserve
-  Chapter 1607: REAP (Reserve Education Assistance Program)

Veterans Refund Policy:

Rivier University has a policy that returns any unearned tuition assistance (TA) funds on a proportional basis through at least the 60 percent portion of the period for which the funds were provided to the military Service Branch.

TA funds are earned proportionally during an enrollment period, with unearned funds returned based upon when a student stops attending. Instances when a Service member stops attending due to a military service obligation, the educational institution will work with the affected Service member to identify solutions that will not result in student debt for the returned portion.

If a student leaves the institution prior to completing 60 percent of a payment period or term, the Student Financial Services recalculates eligibility for TA funds. Recalculation is based on the percentage of earned aid using the following formula:

Percentage of payment period or term completed = the number of days completed up to the withdrawal date divided by the total days in the payment period or term. This percentage is also the percentage of earned assistance.

Funds are returned to the TA program based on the percentage of unearned assistance using the following formula: Assistance to be returned = (100% of the assistance that could be disbursed minus the percentage of earned assistance) multiplied by the total amount of assistance that could have been disbursed during the payment period or term.

If a student earned less assistance than was disbursed, the institution will be required to return a portion of the funds. Please note that when TA funds are returned, the student may owe a debit balance to the institution.

For information on all VA programs, contact the Registrar's Office.

Rivier and Donor-Funded Scholarships

A limited number of Institution (Rivier) and donor-funded scholarships are available each year. These awards are gift-aid and are primarily based on need and merit (academic achievement). Many include other criteria as established by the school or donor. These funds are awarded to eligible recipients by the Student Financial Services Office.

Financial Aid Policies

Satisfactory Academic Progress (SAP)

It is important for students to understand that *Title IV eligibility is contingent on students maintaining Satisfactory Academic Progress (SAP)*, which is defined as a set of standards of academic success, which includes qualitative and quantitative measures that a student must maintain in order to retain eligibility for federal financial aid.

Section 668.16 (e) of the General Provisions regulations provide parameters for schools to use in establishing standards for Title IV financial aid disbursements. A financial aid office must verify that each student who applies for Title IV funds (including a disbursement of subsidized or unsubsidized Federal Direct Loans or Federal PLUS Loans) is making satisfactory academic progress on those guidelines prior to distribution of any funds. The General Provisions regulations contain requirements by which satisfactory academic progress must be measured. The standards for Title IV students must be at least as strict than the school's standards for students in the same academic program who are not receiving Title IV aid.

Rivier students must meet or exceed all the requirements for Satisfactory Academic Progress. Failure to meet any of the standard requirements will result in denial of federal financial aid. It is the recommendation of the Student Financial Services Office that all students take the time to familiarize themselves with the policy of Satisfactory Academic Progress. Students can read the SAP policy in its entirety on the Rivier website at <https://www.rivier.edu/>.

Return of Title IV Funds Policy for Financial Aid Students Who Withdraw or Drop All Courses

The Department of Education requires Rivier to maintain and publish a written policy regarding federal financial aid recipients who withdraw or otherwise fail to complete the term for which their financial aid was disbursed. It is extremely important that all students who receive Title IV financial aid are aware of the Return of Title IV Funds Policy for Rivier. Students should read the policy online to understand the impact withdraws or drops will have on the aid released to them and on their eligibility status to receive future financial aid.

Title IV aid recipients must be continuously enrolled for at least 60% of the term for which aid is disbursed in order to retain all of the financial aid issued in each term. After the 60% point students are considered to have earned 100% of the Title IV funds disbursed for the term. Federal financial aid funds (Title IV Funds) are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded.

When a student withdraws, they may no longer be eligible for the full amount of Title IV funds that they were originally scheduled to receive. The Federal Refund and Repayment calculation must be performed for students receiving Title IV aid (Pell, FSEOG, Perkins, Parent Plus and Direct Stafford Loans) who officially and unofficially withdraw from all courses, drop out of all courses, or are expelled from the University prior to the 60% point of the term. All unearned aid, as determined by the Federal Return of Title IV Unearned Aid calculation, must be returned to the federal aid programs.

Withdrawal Procedure

To withdraw formally from a course or from Rivier, a student must begin with the Academic Adviser or Registrar's Office. Rivier will not consider a student withdrawn if he or she simply stops coming to classes. Students who fail to withdraw properly will receive a grade of F on their permanent record. Courses may not be dropped within the last ten class days of the semester without special approval of the Academic Dean due to extenuating circumstances. The date of withdrawal will be the date the student begins the withdrawal process or the date, as determined by Rivier, that the student otherwise notified Rivier in writing of their intent to withdraw to zero credits.

Student Rights and Responsibilities

Complete a FERPA Authorization Privacy Release Form

The Family Education Rights and Privacy Act (FERPA) of 1976 requires a written and dated consent from any student (18 years of age or older, or a student that attends school beyond the high school level) before disclosing personal identifiable information from the student's education/financial records to a third party.

That means your personal information about financial aid, account balance, disbursement date, disbursement amount, and such may not be shared with parents or spouse without your written permission. You may find it helpful to have another person help sort through the administrative details associated with the university experience – especially the financial records.

You have the right to know:

- What financial aid programs are available at Rivier University
- The deadlines for submitting applications for each of the available financial aid programs.
- How financial aid is awarded, how decisions on awarding are made and the basis for these decisions.
- How financial eligibility is determined including how costs for tuition and fees, room and meals, transportation, books and supplies, personal/miscellaneous expenses, etc. are estimated in the budget.
- What resources (such as family contribution and other financial aid, assets) are considered in the determination of financial aid eligibility.
- How much financial need has been met.
- Information about the various components of the financial aid package.
- The Institutional Refund Policy for Rivier University
- What portion of financial aid must be repaid and what portion is grant aid, (if the financial aid package includes loans, a student has the right to know the full amount of the loan, the interest rate, when repayment is to begin, the yearly and total amounts of debt, repayment procedures, deferment and consolidation availability,

- length of repayment, consequences of default, and the ability to prepay the loan without penalty at any time.
- How Rivier determines whether a student is making satisfactory academic progress and the consequences if the student is not making satisfactory academic progress.

Students' Responsibilities

You are responsible for:

- Completing all application forms accurately and submitting them timely to the Student Financial Services Office (or the Central Processor for the FAFSA or Renewal Form).
- Providing accurate information (misrepresentation of information on a financial aid application is a violation of federal law).
- Supplying all additional documentation and/or information as requested by either the Student Financial Services Office or the agency to which an application is submitted.
- Carefully reading all forms that require a signature and keeping copies of them.
- Accepting responsibility for all agreements signed.
- Signing promissory notes for student loans, following the repayment schedule, notifying school, loan servicer agency of changes in name, address, social security number, or attendance, completing the entrance counseling before receipt of first loan disbursement and the exit counseling before leaving Rivier.
- Performing the work that is agreed upon in accepting a federal work-study position.
- Knowing the Institutional Refund Policy.
- Completing an exit interview online (web address provided to student upon exit) when graduating, becoming less than half-time or leaving Rivier University for any reason.
- Providing any requested forms to defer repayment of student loans.
- Notifying the Student Financial Services Office when additional financial aid is received from outside sources.
- Providing a personal thank you letter to a benefactor, as requested by the Student Financial Services Office.

Consortium Agreement

A Consortium Agreement is a contract between two colleges/universities that recognize the registration of a student at each site for financial aid purposes. The consortium agreement certifies that only one of the two colleges/universities will administer Title IV financial aid for the student.

If you are attending Rivier and another college/university, you can use combined credit hours from Rivier and the other school in calculating financial aid, however, you may receive financial aid only from the university at which you intend to complete your program of study. You must advise the Student Financial Services Office at both schools of your

intent to enroll at more than one university. Keep in mind that not all schools participate in Consortium Agreements, and some will only maintain agreements with certain schools. Make sure a Consortium Agreement is possible before you enroll in either school.

Other Sources of Information

Federal Student Information Center

For questions about federal student financial aid:

Box 84 Washington, D.C. 20044

8am – 11pm Eastern Time - Monday through Friday

11am -5pm Eastern Time – Saturday and Sunday

1-800-4-FEDAID 1-800-433-3243

TTY Users Call 1-800-730-8913

<https://studentaidhelp.ed.gov/>

Region I

Office location: Boston, MA

Elizabeth Williamson, Northeast HUB Leader

U.S. Department of Education

POCH Building, 5 Post Office Square

9th Floor, Room 24

Boston, MA 02110

Telephone: 617-289-0100

Fax: 617-289-0151

View your Loan History <https://studentaid.gov/h/manage-loans>

File the FAFSA online at <https://studentaid.gov/>

Scholarship Search <https://www.fastweb.com/>

Search the World Wide Web (www) for scholarship opportunities. You can go to Fast Web at <https://www.fastweb.com/> for a free search service. Contact any business, civic, fraternal or religious organizations that you or your family belong to and ask if they offer scholarships. Ask your high school administrative or counseling staff for information on scholarships that might be available to alumni. Contact your local library for further resource information.

Glossary of Terms*

*While every acronym and term listed in this glossary is not found throughout this handbook, it is our hope that this tool will be useful to you in understanding and navigating through the world of student financial aid.

Acronyms

COA	Cost of Attendance
CPS	Central Processing System
ED	Department of Education
EFC	Expected Family Contribution
FAA	Associate Director of Financial Aid
FAFSA	Free Application for Federal Student Aid
FDSLPL	Federal Direct Student Loan Program
FSEOG	Federal Supplemental Educational Opportunity Grant
FWS	Federal Work-Study
GPA	Grade Point Average
GSL	Guaranteed Student Loan
ISIR	Institutional Student Information Report
PJ	Professional Judgment
PLUS	Parent Loan for Undergraduate Students
SAP	Satisfactory Academic Progress
SAR	Student Aid Report
TOEFL	Test of English as a Foreign Language
USED	US Department of Education
VA	Veterans Administration

Vocabulary

1040 Form

The Federal Income Tax Return

Every person who has received income during the previous year must file a form 1040 with the IRS by April 15.



Academic Year

The period, during which school is in session, consisting of at least 30 weeks of instructional time. The school year typically runs from the end of August or beginning of September through the end of May at most colleges and universities.

Accrue To accumulate.

Accrual Date

The date on which interest charges on an educational loan begin to accrue. See also Unsubsidized Loan.

Adverse Credit History

To be eligible for a PLUS loan, the borrower must not have an *adverse credit history*. This is a modest credit check. According to the regulations at 34 CFR 682.201(c)(2), a borrower is considered to have an adverse credit history if a recent credit report shows that the borrower has a current delinquency of 90 or more days on any debt, or

- the borrower had certain derogatory information (e.g., default determination, bankruptcy discharge, foreclosure, repossession, tax lien, wage garnishment, or write-off of a Title IV debt) in the credit history during the five years preceding the date of the credit report

Note that the five-year look back only applies to the derogatory information; it does not apply to the 90-day delinquency which must be a current delinquency. Note also that the absence of a credit history is not considered an adverse credit history. Only about a fifth to a quarter of borrowers will be found to have an adverse credit history, meaning that more than three-quarters of borrowers will be eligible for a PLUS loan. PLUS loans do not use any kind of a debt-to-income ratio or FICO score, unlike private education loans.

Alternative Loans See Private Loans

Appeal

A formal request to have Financial Aid review your aid eligibility and possibly use Professional Judgment to adjust the figures. For example, if you believe the financial information on your financial aid application does not reflect your family's current ability to pay (e.g., because of death of a parent, unemployment or other unusual circumstances), you should definitely make an appeal. Financial Aid may require documentation of the special circumstances or of other information listed on your financial aid application.

Award Letter

An official document issued by a school's financial aid office that lists all of the financial aid offered to the student. This letter provides details on their analysis of your financial need and the breakdown of your financial aid package according to amount, source and type of aid. The award letter will include the terms and conditions for the financial aid and information about the cost of attendance. You are required to sign a copy of the letter, indicating whether you accept or decline each source of aid, and return it to the financial aid office.

Award Year

The academic year for which financial aid is requested (or received). The award year runs from July 1 to June 30.

Bankruptcy

When a person is declared bankrupt, he is found to be legally insolvent and his property is distributed among his creditors or otherwise administered to satisfy the interests of his creditors. Federal student loans, however, cannot normally be discharged through bankruptcy.

Borrower

The person who receives the loan.



Budget

See Cost of Attendance.

Calendar Year Campus-based Aid

The calendar year runs from January 1 to December 31.

Financial aid programs are administered by the university. The federal government provides the university with a fixed annual allocation, which is awarded by the Associate Director of Financial Aid to deserving students. Such programs include the Perkins Loan, Federal Supplemental Education Opportunity Grant and Federal Work-Study. Note that there is no guarantee that every eligible student will receive financial aid through these programs, because the awards are made from a fixed pool of money. This is a key difference between the campus-based loan programs and the Direct Loan Program. Do not confuse the two, even though both loans are issued through the schools.

Cancellation

Loan cancellation ends the obligation to repay the debt and typically involves the discharge or forgiveness of the loan balance (including any accrued but unpaid interest). While both discharge and forgiveness involve cancellation of the remaining debt, discharges usually occur for circumstances beyond the borrower's control and forgiveness for circumstances within the borrower's control. Examples of loan discharges include discharges due to bankruptcy, death or total and permanent disability of the borrower. Loan forgiveness programs typically involve a requirement to work in a particular field, such as working in a public service job, teaching in a national shortage area or serving in the military.

Capitalization

The practice of adding unpaid interest charges to the principal balance of an educational loan, thereby increasing the size of the loan. Interest is then charged on the new balance, including both the unpaid principal and the accrued interest. Capitalizing the interest increases the monthly payment and the amount of money you will eventually have to repay. If you can afford to pay the interest as it accrues, you are better off not capitalizing it. Capitalization is sometimes called compounding. See also [Unsubsidized Loans](#).

Consolidation Loan

Also called Loan Consolidation; a consolidation loan combines several student loans into one bigger loan from a single lender. The consolidation loan is like a refinance and is used to pay off the balances on the other loans. The primary intention is to replace multiple loans with a single "consolidated" loan to simplify repayment. For federal student loans a consolidation loan can also provide access to alternate repayment terms and the ability to lock in a rate on older variable rate student loans. For private student loans a consolidation loan can also offer the opportunity to get a better interest rate or release a cosigner if the borrower's credit score has improved significantly.

Cosigner

A cosigner on a loan is a co-borrower and is obligated to repay the debt if the primary borrower defaults on the debt. Repayment activity is reported on both the borrower's and cosigner's credit histories. A cosigner is often required if the borrower's credit history is bad or marginal or thin.

Cost of Attendance (COA)

(Also known as the cost of education or "budget") The total amount it should cost the student to go to school, including tuition and fees, room and board, allowances for books and supplies, transportation, and personal and incidental expenses. Loan fees, if applicable, may also be included in the COA. Childcare and expenses for disabilities may also be included at the discretion of Financial Aid. Schools establish different standard budget amounts for students living on-campus and off-campus, married and unmarried students and in- state and out-of-state students.

Credit History

A credit history is a record of all events connected with payment of a set of debts, such as on-time payments, late payments, nonpayment, default, liens, and bankruptcy discharge. It can include both current and previous credit accounts and their balances, employment and personal information, and a history of past credit problems.

Credit Score

Also referred to as a credit rating, a credit score is a measure of the likelihood of a borrower paying back a debt according to the agreement. It is based on the borrower's credit history. Credit bureaus and credit reporting agencies provide this information to banks and businesses to help them decide whether to issue a loan or extend credit. People who make all their payments on time are considered good credit risks. People who are frequently delinquent in making their payments are considered bad credit risks. Defaulting on a loan can hurt your credit rating. It is difficult to get a good credit score, but very easy to ruin it. The most commonly used credit score is the FICO score established by Fair Isaac Corporation on a scale from 350 to 850. Higher credit scores are better.



Debt-to-Income Ratio

A debt-to-income ratio is the ratio of total debt to the borrower's income. It is generally a good ballpark measure of the borrower's ability to repay the debt. If the debt-to-income ratio is less than 1, the borrower should be able to afford to repay the debt. If the debt-to-income ratio is more than 2, the borrower will have significant difficulty repaying the debt and may be at high risk of default. Borrowers with higher incomes, however, may be able to repay a debt despite a high debt-to-income ratio since more of their income is often disposable and not required to pay for basic necessities. Lenders these days are more likely to rely on the debt-service-to-income ratio, which is the ratio of the normal monthly payments on the borrower's loans to the borrower's gross monthly income. This measure takes into account the ability of a borrower to make a loan more affordable by increasing the loan term so that the monthly payments are lower.

Default

A loan is in default when the borrower fails to pay several regular installments on time or otherwise fails to meet the terms and conditions of the loan. For example, a borrower who is 120 days late on a private student loan or 270 days late on federal education loan is considered to be in default. When a borrower is in default the loan becomes due in full immediately and the lender may pursue more aggressive collection techniques, such as sending the account to a collection agency or filing suit against the borrower. If you default on a loan, the university, the holder of the loan, the state government and the federal government can take legal action to recover the money, including garnishing your wages and withholding income tax refunds. Defaulting on a government loan will make you ineligible for future federal financial aid, unless a satisfactory repayment schedule is arranged, and can affect your credit rating.

Deferment

Occurs when a borrower is allowed to postpone repaying the loan. If you have a subsidized loan, the federal government pays the interest charges during the deferment period. If you have an unsubsidized loan, you are responsible for the interest that accrues during the deferment period. You can still postpone paying the interest charges by capitalizing the interest, which increases the size of the loan. Most federal loan programs allow students to defer their loans while they are in school at least half time. If you don't qualify for a deferment, you may be able to get forbearance. You cannot get a deferment if your loan is in default.

Delinquent

If the borrower fails to make a payment on time, the borrower is considered delinquent and late fees may be charged. If the borrower misses several payments, the loan goes into default.

Dependency Status

Determines to what degree a student has access to parent financial resources.

Dependent

For a child or other person to be considered your dependent, they must live with you and you must provide them with more than half of their support. Spouses do not count as dependents in the Federal Methodology. You and your spouse cannot both claim the same child as a dependent. (See also Independent.)

Direct Loans

The William D. Ford Federal Direct Loan Program (aka the Direct Loan Program) is a federal program where the school becomes the lending agency and manages the funds directly, with the federal government providing the loan funds. Not all schools currently participate in this program. Benefits of the program include a faster turnaround time and less bureaucracy than the old "bank loan" program. The terms for Direct Loans are the same as for the Stafford Loan program. For more information about Direct Loans, contact the Federal Student Info Center at 1-800-433-3243.

Disbursement

Disbursement is the release of loan funds to the school for delivery to the borrower. The payment will be made co-payable to the student and the school. Loan funds are first credited to the student's account for payment of tuition, fees, room and board and other school charges. Any excess funds are then paid to the student in cash or by check. Unless the loan amount is under \$500 or the college has a low default rate, the disbursement will be made in at least two equal installments.

Discharge

A loan discharge releases the borrower from his or her obligation to repay the loan, usually due to circumstances beyond the borrower's control. Both discharge and forgiveness are types of loan cancellation.

Disclosure Statement

Provides the borrower with information about the actual cost of the loan, including the interest rate, origination, insurance, loan fees and any other types of finance charges. Lenders are required to provide the borrower with a disclosure statement before issuing a loan.



Electronic Data Exchange (EDE)

Program used by participating schools to electronically receive SARs from the federal processor. At some schools EDE allows students to electronically file their Free Application for Federal Student Aid (FAFSA).

Eligible Non-Citizen

Someone who is not a US citizen but is nevertheless eligible for Federal student aid. Eligible noncitizens include US permanent residents who are holders of valid green cards, US nationals, holders of form I-94 who have been granted refugee or asylum status and certain other non-citizens. Non-citizens who hold a student visa or an exchange visitor visa are not eligible for Federal student aid.

Emancipated

To release a child from the control of a parent or guardian. Declaring a child to be legally emancipated is not sufficient to release the parents or legal guardians from being responsible for providing for the child's education. If this were the case, then every parent would "divorce" their children before sending them to college. The criteria for a child to be found independent are much stricter. See [Dependency Status](#).

Enrollment Status

An indication of whether you are a full-time or part-time student. Generally, you must be enrolled at least half-time (and in some cases full-time) to qualify for financial aid.

Entrance Interview/Counseling See

Loan Interviews.

Exit Interview/Counseling See

Loan Interviews.

Expected Family Contribution (EFC)

The amount of money that the family is expected to be able to contribute to the student's education, as determined by the Federal Methodology need analysis formula approved by Congress. The EFC includes the parent contribution and the student contribution, and depends on the student's dependency status, family size, number of family members in school, taxable and nontaxable income, and assets. The difference between the COA and the EFC is the student's financial need and is used in determining the student's eligibility for need-based financial aid. If you have unusual financial circumstances (such as high medical expenses, loss of employment or death of a parent) that may affect your ability to pay for your education, tell Financial Aid. He or she can adjust the COA or EFC to compensate. See Professional Judgment.



Federal Methodology

The need analysis formula used to determine the EFC. The Federal Methodology takes family size, the number of family members in college, taxable and nontaxable income, and assets into account. Unlike most Institutional Methodologies, however, the Federal Methodology does not consider the net value of the family residence.

Federal Work-Study (FWS)

Program providing undergraduate and graduate students with part-time employment during the school year. The federal government pays a portion of the student's salary, making it cheaper for departments and businesses to hire the student. For this reason, work-study students often find it easier to get a part-time job. Eligibility for FWS is based on need. Money earned from a FWS job is not counted as income for the subsequent year's need analysis process.

Financial Aid

Money provided to the student and the family to help them pay for the student's education or which is conditioned on the student's attendance at an educational institution. Major forms of financial aid include gift aid (grants and scholarships) and self-help aid (loans and work).

Associate Director of Financial Aid (FAA)

A college or university employee who is involved in the administration of financial aid. Some schools call FAAs "Financial Aid Advisors" or "Financial Aid Counselors".

Financial Aid Notification (FAN) See Award Letter.

Financial Aid Package

The complete collection of grants, scholarships, loans, and work-study employment from all sources (federal, state, institutional and private) offered to a student to enable them to attend the college or university. Note that unsubsidized Stafford loans and PLUS loans are not considered part of the financial aid package, since these financing options are available to the family to help them meet the EFC.

Financial Need See Need.

First-Time Borrower

A first-year undergraduate student who has no unpaid loan balances outstanding on the date he or she signs a promissory note for an educational loan. First-time borrowers *may be* subjected to a delay in the disbursement of the loan funds. If this occurs, the first loan payment is disbursed 30 days after the first day of the enrollment period. If the student withdraws during the first 30 days of classes, the loan is canceled and does not need to be repaid. Borrowers with existing loan balances are not subject to this delay.

Fiscal Year

The federal government's fiscal year runs from October 1 to September 30.

Forbearance

During forbearance, the lender allows the borrower to temporarily postpone repaying the principal, but the interest charges continue to accrue, even on subsidized loans. The borrower must continue paying the interest charges during the forbearance period. Forbearances are granted at the lender's discretion, usually in cases of extreme financial hardship or other unusual circumstances when the borrower does not qualify for a deferment. You cannot receive forbearance if your loan is in default.

Forgiveness

Loan forgiveness releases the borrower from his or her obligation to repay the loan, usually due to circumstances within the borrower's control. The most common loan forgiveness programs cancel all or part of the debt for working in a particular field or performing military or volunteer service. Loan forgiveness for working in a particular occupation is tax-free, while other types of loan forgiveness may result in a tax liability. There are two main types of loan forgiveness: up-front and back end. Up-front loan forgiveness cancels a portion of the debt for each year of service. Back end loan forgiveness cancels any remaining debt after a specified number of years of service. Both discharge and forgiveness are types of loan cancellation. See also public service loan forgiveness. See Student Loan Forgiveness for information on all programs.

Free Application for Federal Student Aid (FAFSA)

Form used to apply for Pell Grants and all other need-based aid. As the name suggests, no fee is charged to file a FAFSA.

Federal Supplemental Education Opportunity Grant (FSEOG)

Federal grant program for undergraduate students with exceptional need. FSEOG grants are awarded by the school's financial aid office. To qualify, a student must also be a recipient of a Pell Grant.

When you fill out the FAFSA you need to supply the Title IV Code for each school to which you are applying. This code is a six-character identifier. Rivier's Title IV Federal School Code is 002586.



Garnishment

The practice of withholding a portion of a defaulted borrower's wages to repay his or her loan, without their consent.

Gift Aid

Financial aid, such as grants and scholarships, which does not need to be repaid.

Grace Period

A short time period after graduation during which the borrower is not required to begin repaying his or her student loans. The grace period may also kick in if the borrower leaves school for a reason other than graduation or drops below half-time enrollment. Depending on the type of loan, you will have a grace period of six months (Stafford Loans) or nine months (Perkins Loans) before you must start making payments on your student loans. The PLUS Loans do not have a grace period.

Grant

A type of financial aid based on financial need that the student does not have to repay.



Holder

A holder of a loan is the lender that currently holds legal title to the loan and is entitled to the payments of principal and interest. Since loans may periodically be sold to a different lender, the current holder of a loan may not necessarily be the lender that originated the loan. The holder may be the bank that issued the loan, a secondary market that purchased the loan from the bank or a

guarantee agency if the borrower defaulted on the loan. When a loan is sold, the servicer may also change, which may require the borrower to send payments to a different address.



Income Based Repayment

Under an income-based repayment schedule, the size of the monthly payments depends on the income earned by the borrower. As the borrower's income increases, so do the payments. The income-based repayment plan is not available for PLUS Loans. Income-based repayment is available in both the FFEL and Direct Loan programs. Monthly payments are capped at 15% of discretionary income, where discretionary income is defined as the amount by which income exceeds 150% of the poverty line.

Income Contingent repayment

Under an income contingent repayment schedule, the size of the monthly payments depends on the income earned by the borrower. As the borrower's income increases, so do the payments. The income contingent repayment plan is not available for PLUS Loans. Income contingent repayment is available only in the Direct Loan program. Monthly payments are capped at 20% of discretionary income, where discretionary income is defined as the amount by which income exceeds 100% of the poverty line. Income Contingent Repayment also has a secondary cap based on income percentage factors that rarely applies to most borrowers.

Income Sensitive Repayment

Under an income-sensitive repayment schedule, the size of the monthly payments depends on the income earned by the borrower. As the borrower's income increases, so do the payments. Income-sensitive repayment is available only in the FFEL program. Monthly payments are pegged at 4% to 25% of gross monthly income and must be at least the interest that accrues.

Independent

An independent student is at least 24 years old as of January 1 of the academic year, is married, is a graduate or professional student, has a legal dependent other than a spouse, is a veteran of the US Armed Forces, or is an orphan or ward of the court (or was a ward of the court until age 18). A parent refusing to provide support for their child's education is not sufficient for the child to be declared independent. (See also dependent.)

Institutional Methodology (IM)

If a college or university uses its own formula to determine financial need for allocation of the school's own financial aid funds; the formula is referred to as the Institutional Methodology.

Interest

The interest on a loan is a fee charged periodically in exchange for the use of a lender's money. It is paid in addition to repaying the amount borrowed. Interest is usually calculated as a percentage of the outstanding principal balance of the loan. The percentage rate may be fixed for the life of the loan, or it may be variable, depending on the terms of the loan. Except for consolidation loans, federal education loans issued from October 1992 to June 2006 used variable interest rates that are pegged to the cost of US Treasury Bills. Since July 1, 2006, all federal education loans have involved fixed interest rates.

Issuer

The issuer of a loan is the lender that made (funded) the loan.

**Loan**

A type of financial aid which must be repaid, with interest. The federal student loan programs (FFELP and FDSLPL) are a good method of financing the costs of your college education. These loans are better than most consumer loans because they have lower interest rates and do not require a credit check or collateral. The Stafford Loans and Perkins Loans also provide a variety of deferment options and extended repayment terms.

Loan Cancellation See [Cancellation](#).

Loan Consolidation See [Consolidation Loan](#).

Loan Discharge See [Discharge](#).

Loan Forgiveness See [Forgiveness](#).

Loan Interviews/Counseling

Students with educational loans are required to complete loan counseling on-line at www.studentloans.gov before they receive their first loan disbursement and again before they graduate or otherwise leave school.

**Matriculate**

A student matriculates in college when he or she enrolls in college for the first time.

Maturity Date

The date when a loan comes due and must be repaid in full.

Merit-based

Financial aid that is merit-based depends on your academic, artistic, or athletic merit or some other criteria, and does not depend on the existence of financial need. Merit-based awards use your grades, test scores, hobbies, and special talents to determine your eligibility for scholarships.

**Need**

The difference between the COA and the EFC is the student's financial need -- the gap between the cost of attending the school and the student's resources. The financial aid package is based on the amount of financial need. The process of determining a student's need is known as need analysis.

Need Analysis

The process of determining a student's financial need by analyzing the financial information provided by the student and his or her parents (and spouse, if any) on a financial aid form. The student must submit a need analysis form to apply for need-based aid. Need analysis forms include the Free Application for Federal Student Aid (FAFSA).

Need-Based

Financial aid that is need-based depends on your financial situation. Most government sources of financial aid are need-based.

New Borrower

See First-Time Borrower.



Originate

A lender is said to originate or make a loan when the loan is disbursed to or on behalf of the borrower.

Origination Fee

Fee paid to the lender to compensate them for the cost of administering the loan. The origination fees are charged as the loan is disbursed, and typically run to 3% of the amount disbursed.

Outside Scholarship

A scholarship that comes from sources other than the school and the federal or state government.

Over-awards

A student who receives federal support may not receive awards totaling more than his or her budget.



Packaging

The process of assembling a financial aid package.

Parent Contribution (PC)

An estimate of the portion of your educational expenses that the federal government believes your parents can afford. It is based on their income, the number of parents earning income, assets, family size, the number of family members currently attending a university and other relevant factors. Students who qualify as independent are not expected to have a parent contribution.

Parent Loans for Undergraduate Students (PLUS)/Graduate PLUS

Federal loans available to parents of dependent undergraduate students as well as to graduate students to help finance their education. Borrowers may borrow up to the full cost of their education, less the amount of any other financial aid received. PLUS Loans may be used to pay the EFC. There is a minimal credit check required for the PLUS loan, so a good credit history is required. If your application for a PLUS loan is turned down, your child may be eligible to borrow additional money under the Unsubsidized Stafford Loan program.

Pell Grant

The Federal Pell Grant Program provides need-based grants to low-income undergraduate and certain post-baccalaureate students to promote access to postsecondary education.

Principal

The principal or loan balance is the amount of money borrowed or remaining unpaid on a loan. Interest is charged as a percentage of the principal. Insurance and origination fees will be deducted from this amount before disbursement.

Private Loans

Education loan programs established by private lenders to supplement the student and parent education loan programs available from federal and state governments.

Professional Judgment (PJ)

For need-based federal aid programs, the Student Financial Services Office can adjust the EFC, adjust the COA, or change the dependency status (with documentation) when extenuating circumstances exist. For example, if a parent becomes unemployed, disabled, or deceased, the FAA can decide to use estimated income information for the award year instead of the actual income figures from the base year. This delegation of authority from the federal government to the Student Financial Services Office is called Professional Judgment (PJ).

Promissory Note

A promissory note (or 'note') is a binding legal document that must be signed by the student borrower before loan funds are disbursed by the lender. The promissory note states the terms and conditions of the loan, including repayment schedule (e.g., level monthly payments for a term of 10 years), interest rate, fees (e.g., origination fees, guarantee fees, late fees, collection charges), deferments, forbearances and cancellations. It represents an agreement by the borrower to repay the debt according to the specified terms and conditions. The student should keep this document until the loan has been repaid.

Repayment Schedule

The repayment schedule discloses the monthly payment, interest rate, total repayment obligation, payment due dates and the term of the loan.

Repayment Term

The term of a loan is the period during which the borrower is required to make payments on his or her loans. When the payments are made monthly, the term is usually given as a number of payments or years.

Satisfactory Academic Progress (SAP)

A student must maintain a certain cumulative grade point and completion rate in order to continue receiving federal aid. If a student fails to maintain an academic standing consistent with the school's SAP policy, they are unlikely to meet the school's graduation requirements.

Scholarship

A form of financial aid given to undergraduate students to help pay for their education. Most scholarships are restricted to paying all or part of tuition expenses, though some scholarships also cover room and board. Scholarships are a form of gift aid and do not have to be repaid. Many scholarships are restricted to students in specific courses of study or with academic, athletic, or artistic talent.

Selective Service

Registration for the military draft. Male students who are US citizens and have reached the age of 18 and were born after December 31, 1959 must be registered with Selective Service to be eligible for federal financial aid. If the student did not register and is past the age of doing so (18-25), and the school determines that the failure to register was knowing and willful, the student is

ineligible for all federal student financial aid programs. The school's decision as to whether the failure to register was willful is not subject to appeal. Students needing help resolving problems concerning their Selective Service registration should call 1-888-655-1825.

Self Help Aid

Financial aid in the form of loans and student employment. If every financial aid package is required to include a minimum amount of self-help aid before any gift aid is granted, that level is known as the self-help level.

Stafford Loans

Federal loans that come in two forms, subsidized and unsubsidized. Subsidized loans are based on need; unsubsidized loans are not. The interest on the subsidized Stafford Loan is paid by the federal government while the student is in school and during the 6-month grace period. The Subsidized Stafford Loan was formerly known as the Guaranteed Student Loan (GSL). The Unsubsidized Stafford Loan may be used to pay the EFC.

Student Aid Report (SAR)

Report that summarizes the information included in the FAFSA and must be provided to your school's FAO. The SAR will also indicate the amount of Pell Grant eligibility, if any, and the Expected Family Contribution (EFC). You should receive a copy of your SAR four to six weeks after you file your FAFSA. Review your SAR and correct any errors on part 2 of the SAR. Keep a photocopy of the SAR for your records. To request a duplicate copy of your SAR, call 1-800-433-3243.

Student Contribution

The amount of money the federal government expects the student to contribute to his or her education and is included as part of the EFC.

Subsidized Loan

With a subsidized loan, such as the Perkins Loan or the Subsidized Stafford Loan, the government pays the interest on the loan while the student is in school, during the six-month grace period and during any deferment periods. Subsidized loans are awarded based on financial need and may not be used to finance the family contribution. See Stafford Loans for information about subsidized Stafford Loans.

Unmet Need

In an ideal world, the FAO would be able to provide each student with the full difference between their ability to pay and the cost of education. Due to budget constraints the FAO may provide the student with less than the student's need (as determined by the FAO). This gap is known as the unmet need.

Unsubsidized Loan

A loan for which the government does not pay the interest. The borrower is responsible for the interest on an unsubsidized loan from the date the loan is disbursed, even while the student is still in school. Students may avoid paying the interest while they are in school by capitalizing the interest, which increases the loan amount. Unsubsidized loans are not based on financial need and may be used to finance the family contribution. See Stafford Loans for information about unsubsidized Stafford Loans.



US Department of Education (ED)

Government agency that administers several federal student financial aid programs, including the Federal Pell Grant, the Federal Work-Study Program, the Federal Perkins Loans, the Federal Stafford Loans and the Federal PLUS Loans.



Verification

Verification is a review process in which the FAO determines the accuracy of the information provided on the student's financial aid application. During the verification process the student and parent will be required to submit documentation for the amounts listed (or not listed) on the financial aid application. Such documentation may include most recent Federal tax return transcript for you, your spouse (if any) and your parents, proof of citizenship, proof of registration with Selective Service, and copies of Social Security benefit statements and W2 and 1099 forms, among other things. Financial aid applications are randomly selected by the Federal processor for verification, with most schools verifying at least 1/3 of all applications. If there is an asterisk next to the EFC figure on your Student Aid Report (SAR), your SAR has been selected for verification. Schools may select additional students for verification if they suspect fraud. Some schools undergo 100% verification. If any discrepancies are uncovered during verification, the financial aid office may require additional information to clear up the discrepancies. Such discrepancies may cause your final financial aid package to be different from the initial package described on the award letter you received from the school. If you refuse to submit the required documentation, your financial aid package will be cancelled and no aid awarded.

Veteran

For Federal financial aid purposes such as determining dependency status, a veteran is a former member of the US Armed Forces (Army, Navy, Air Force, Marines or Coast Guard) who served on active duty and was discharged other than dishonorably (i.e., received an honorable or medical discharge). You are a veteran even if you serve just one day on active duty - not active duty for training - before receiving your DD-214 and formal discharge papers. (Note that in order for a veteran to be eligible for VA educational benefits, they must have served for more than 180 consecutive days on active duty before receiving an honorable discharge. There are exceptions for participation in Desert Storm/Desert Shield and other military campaigns.) Having a DD-214 does not necessarily mean that you are a veteran for financial aid purposes. As noted above, you must have served on active duty and received an honorable discharge.



Ward of the Court

A ward of the court is someone under the protection of the courts. The ward of the court may have a guardian appointed by the court. The legal guardian is not personally liable for the ward's expenses and is not liable to third parties for the ward's debts. Although a ward of the court can have a legal guardian, having a legal guardian does not automatically make the child a ward of the court. A legal guardian can be appointed by parental consent through a power of attorney. A legal guardian must have been appointed by the court for the child to be a ward of the court. When a guardian is appointed by the court, the parent no longer has the authority to revoke the guardianship.

Often a minor becomes a ward of the court when the court determines that the child will be subject to abuse or neglect if they remain with the parent or if both of the student's biological or adoptive parents are deceased. Note that a child does *not* automatically become a ward of the court upon being incarcerated. The key issue is whether the court assumed custody of the child because it found that the

parents are unable to properly care for the child. Likewise, emancipation does not make a student a ward of the court. Neither incarceration nor emancipation of the student is sufficient on its own to make the student independent. The key issue for financial aid purposes is that when a child becomes a ward of the court, no parent or other person is financially responsible for the child. Legal guardians and foster parents are not financially responsible for a ward of the court. Adoptive parents, on the other hand, are financially responsible for the child. If the student is declared a ward of the court before the end of the award year, the student is considered to be an independent student for the award year and the student's status would need to be updated. Financial Aid should ask for a copy of the court order that declared the child a ward of the court. If there is any confusion as to whether the child is a ward of the court or not, Financial Aid should ask for a letter from the judge clarifying whether the child is a ward of the court. Note that a child can be a ward of the court and still have contact with his or her biological parents or even still be living with the parents (albeit under court supervision). The biological parents, however, are no longer empowered to make any decisions on behalf of the child.

Work Study

See Federal Work-Study.