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## UNDERSTANDING YOUR FINANCIAL AID AWARD LETTER

The Financial Aid Office processes your FAFSA information, awards financial aid through award letters, places students in work-study positions, processes loans, monitors continued eligibility during the year, and reviews student eligibility for renewal of awards. Fifty percent (50%) of Birmingham-Southern College scholarships and/or grants will be credited to your account in August; the remaining 50% will be credited in February. This is true for federal and state aid as well. However, some forms of aid require additional paperwork including a signed award letter. **The Student Accounts Office applies funds directly to the student account, with the exception of Federal Work-Study and Birmingham-Southern Work-Study;** they also process payments including web payments, and are in charge of the TMS payment Plan.

**Financial Aid does not pay Deposits:** Any required admission/room deposits **cannot** be paid from the assistance listed on your award notification. The student must forward those deposits directly to the Admissions Office or the Student Accounts Office.

**YOU MAY ACCEPT OR DECLINE ANY AID:** Please indicate whether you accept or decline each award listed on your award notification. You have the right to decline all or part of the self-help (work study and/or loan) without affecting your grant or scholarship. However, please remember that the amount of self-help declined must be provided by the family or the student. We cannot replace unused loan or work funds with grants. Awards must be accepted to be moved by the Student Accounts Office to your student account.

**RESPONSIBILITIES OF FINANCIAL AID RECIPIENTS:** If aid is NOT shown as pending on the Student Account Statement then some student/parent action, is probably required (See below for actions required to activate aid). You are expected to complete the FAFSA each year or some aid will not activate. You should report any significant changes in your family's financial situation (i.e., loss of job, death of a parent, catastrophic illness) to the Financial Aid Office. A "Professional Judgment Appeal form" is available to facilitate this process. You may download or print this form and all others noted below at <http://www.bsc.edu/fa/forms/2009/forms.htm>. Also, you are required to report to the Financial Aid Office any scholarships, awards, or other funding received from outside sources to be used at BSC. Awards can be accepted or declined on TheSIS. **Please review the 2009-2010 Awarding Policies on our web site for PACT, TheSIS, outside scholarship and additional information.**

**PRIORITY FINANCIAL AID APPLICATION DATE:** Prospective students seeking financial assistance at Birmingham-Southern should file the Free Application for Federal Student Aid (FAFSA) between February 1 and March 1 and have the results sent to Birmingham-Southern College (the Title IV code for BSC is 001012) in order to receive official and complete consideration for all forms of financial aid.

**ALABAMA RESIDENTS:** Alabama undergraduate students are eligible to receive an Alabama State Grant (ASG). Five proofs of Alabama residency are required to be on file in the Financial Aid Office. The amount of this grant varies from year to year depending upon State financing and the state does not inform us of the amounts until the check arrives each year. Typically, the Student Accounts Office does not count this aid as pending and will not allow you to count this in the Payment Plan because the State of Alabama frequently does not send this aid to BSC until after the semester is over. The ASG is credited to the student account when the check arrives. The application is on the financial aid forms page.

**PAYMENT OF WORK-STUDY AWARDS:** The Student Accounts Office applies funds directly to the student account, with the exception of Federal Work-Study and Birmingham-Southern Work-Study. Compensation for work is paid directly to the student based on the actual hours worked. Unless the student applies the earnings toward the student account, these earnings will not reduce the balance owed to the college. The normal workload averages ten to twelve hours per week. Work-Study awards never show on the statement sent from the Student Account Office. Forms may be turned in at June Jump Start.

### **LOAN PROGRAM INFORMATION**

**FEDERAL PERKINS LOAN PROGRAM:** The Federal Perkins Loan Program is a low-interest, long-term student loan (5% per annum, ten (10) years maximum length of repayment; minimum monthly payment is \$40); principal and interest payments begin nine (9) months after the borrower ceases to be at least a half-time student in a degree or certification program at an approved institution of higher education. Each recipient of a Perkins Loan is required to sign a promissory note outlining the conditions of repayment. Perkins loans are restricted by Federal regulation to the neediest population. These loans are administered by Birmingham-Southern College and all paperwork will be handled through Campus Partners. First-time

Perkins borrowers are required to complete a Master Promissory Note (MPN), entrance loan counseling, interview questionnaire, and total indebtedness questionnaire after they are notified to do so but prior to their first Perkins disbursement (<http://promise.campuspartners.com>).

**FEDERAL STAFFORD LOAN PROGRAM:** The Federal Stafford Loan Program is a low, variable interest student loan. First-time Stafford borrowers are required to complete entrance loan counseling prior to their first Stafford disbursement; all borrowers are required to complete the Stafford Loan Request Form annually. The loan counseling information is located at [www.mapping-your-future.org](http://www.mapping-your-future.org). There are two types of Federal Stafford Loans: Subsidized and Unsubsidized. If you have sufficient eligibility as determined by the FAFSA, the Stafford Loan will be subsidized by the federal government; that is, the interest on the loan will be paid by the federal government as long as you are enrolled on at least a half-time basis in a degree or certification program at an approved institution of higher education. If you are not eligible for the interest subsidy, the loan may be made to you on an unsubsidized basis; that is, you will be responsible for the interest on the loan during the periods of enrollment.

Federal Stafford Loans are obtained from commercial lenders, and you designate the lender you wish to use. A list of lenders is located on the financial aid form page along with the Stafford Loan Request Form; you are not restricted to the list to choose your lender. Lenders may withhold origination and insurance (default) fees associated with all Stafford Loans. A full disclosure of those fees will be provided by the lender and will be withheld from the gross loan amount.

The maximum annual eligibility for a Stafford Loan (combination of both subsidized and unsubsidized loan eligibility) is: \$5,500 for a first-year undergraduate student (less than 8 completed units), \$6,500 for a student classified as a sophomore (8 to 15 completed units), and \$7,500 for students classified as either a junior (16 completed units) or a senior (24 completed units).

You must complete and sign a Master Promissory Note, agreeing to repay Federal Stafford Loans. Your designated lender will mail Stafford Loan Master Promissory Notes to you after you select a lender and after Birmingham-Southern certifies your loan. You may also be able to e-sign if your lender offers this option. Certification of loans for the fall begins in the early summer months.

***If you wish to borrow less than the amount on the award notification, indicate the amount on the copy of the award notification you return to us; simply write in the lesser amount you wish to borrow or change the amount on the Stafford Loan Request Form.***

**FEDERAL PARENT LOAN FOR UNDERGRADUATE STUDENTS (PLUS):** The Federal Parent Loan for Undergraduate Students (PLUS) is a loan made to the parent of an undergraduate student to help meet educational costs. The maximum PLUS loan for which a parent may apply in any academic year is the difference between the cost of attendance and any assistance the student is eligible to receive. The parent's ability to obtain a PLUS Loan is subject to a credit check. The PLUS Loan is a variable interest rate loan with a cap of 9% and a maximum repayment period of ten (10) years. Origination and insurance fees may be withheld from the gross amount of the loan by the lender. A full disclosure of the terms of the loan will be made by the lender. A PLUS list of lenders is located on the financial aid form page along with the PLUS Loan Request Form; you are not restricted to the list to choose your lender. With documentation of a PLUS loan denial, we can offer the student an additional Unsubsidized amount.

**ELECTRONIC FUNDS TRANSFER (EFT):** Birmingham-Southern College participates in the electronic funds transfer process for the Federal Stafford Loan and for the Federal Parent Loan for Undergraduate Students Program. Loan funds will be delivered to the school electronically and applied to the student's account.

**TUITION PAYMENT OPTIONS:** The Student Accounts Office provides a web page on various options. For more information or to download the payment plan information please go to <http://www.bsc.edu/administration/finance/payment.htm>.

**The enclosed award letter is subject to revision for any of the following reasons:**

- 1) In the process of verifying the information you report, we discover an error that changes your eligibility.
- 2) New regulations governing federal or state programs could be issued and could change your eligibility.
- 3) If funding levels of federal or state programs are altered, we will have to make adjustments.
- 4) If you receive additional assistance from a source not listed on your most recent award notification, the composition of the financial aid package may be altered. "Additional assistance" includes outside scholarships, pre-paid tuition funds, and the like.
- 5) Failure of the student to meet GPA requirement(s) and satisfactory academic progress standards as stated in the financial aid section of the *Birmingham-Southern College Catalog* and/or failure to maintain full-time enrollment status may affect your eligibility for some forms of assistance. All institutional scholarships/grants carry minimum GPA requirements for renewal, and the student is responsible for knowing those requirements. Renewal requirements are listed in the *BSC Catalog* or on the letter from admissions awarding the scholarship.
- 6) The Financial Aid Office discovers an error, clerical or other, on your award notification.
- 7) You do not complete all required financial aid applications for need-based federal, state, and institutional aid, or you fail to respond to requests of information for verification of FAFSA data.
- 8) Additional need-analysis information (FAFSA data corrections) is received by the college.