

Types of Federal Financial Aid Programs

Students may apply for various need and non-need based programs to assist in paying for the expenses related to attending school. Financial Aid generally consists of a combination of grants and loans which supplement the student's (and possibly parent's) contribution toward the Cost of Attendance. Student should visit the Federal Student Aid website at <http://studentaid.ed.gov/> for additional information.

Federal Student Aid and State Grants

Federal Pell Grant – The Pell grant is gift assistance which generally does not have to be repaid. Pell is awarded to students who have a financial need as determined by the U.S. Department of Education standards. Annually, the U.S. Department of Education determines student eligibility for this grant. For the 2012-13 award year, the maximum grant is \$ 5,550. To apply students must complete the Free Application for Federal Student Aid at the following site: <http://www.fafsa.ed.gov/>.

Students who receive a Pell Grant are subject to a life-time aggregate that they cannot exceed. As of 7/1/12, the aggregate limit is 600% of the student's total Pell Grant eligibility; students can monitor their aggregate balance on the NSLDS website at http://www.nsls.ed.gov/nsls_SA.

Federal Supplementary Education Opportunity Grant (FSEOG) - The FSEOG is gift assistance which generally does not have to be repaid. FSEOG is awarded to students who have an exceptional financial need as determined by the U.S. Department of Education standards. Students with the lowest "Expected Family Contribution" (EFC) are awarded FSEOG before students with higher EFCs. The average award amount varies from school to school. FSEOG is based on the annual allocation of funds provided to the school by the U.S. Department of Education. FSEOG is awarded to all students until the funds are depleted. The school cannot guarantee every eligible student will receive an FSEOG award.

Michigan Merit Award - Eligibility for the Michigan Merit Award has now expired for all students unless they have served or are currently serving in the **military**. Students who have or are serving in the military should contact the Student Scholarships and Grants Division at 1-888-4-GRANTS (1-888-447-2687), for information on claiming this award. For additional information, please visit the Michigan Merit Award website at <http://www.michigan.gov/mistudentaid/>.

Michigan Rehabilitation Services (MRS) - This state agency provides vocational rehabilitation services to Michigan citizens that are physically or mentally impaired. MRS may arrange, provide, or purchase the services necessary to achieve an individual's employment plan. Further information can be obtained through Dorsey Schools or Michigan Rehabilitation Services at 1-800-605-6722.

Workforce Investment Act (WIA) - If you are "unemployed" or "underemployed," you may be eligible to receive a training fund voucher (ITA) to reduce your educational costs. For information, contact a Dorsey School for directions to your local Workforce Development Board office.

Veteran's Benefits (VA) - Dorsey School locations with programs that have been approved to accept Veteran Education Benefits will work with the Department of Veteran's Affairs to process benefits for students. Eligibility is determined by the Department of Veteran's Affairs.

United Auto Workers (UAW) Tuition Assistance Plan - Dorsey Schools are nationally accredited and are approved to participate in tuition assistance and scholarship programs provided by UAW-Chrysler, UAW-Ford and UAW-GM for employees, retirees, and their eligible dependent children. Contact your local union to determine your eligibility.

Institutional Scholarships or Grants

Dorsey Schools offer various scholarships and grants to eligible students. Students should refer to the school catalog or visit the financial aid office at their school for more information.

Dorsey Schools awards memorial scholarships to high school graduates each year. Graduates must complete a high school scholarship application and meet its requirements. Applicants must also provide a letter of recommendation and an application essay with the completed scholarship application. Awards made for each of the two memorial scholarship programs are listed below:

Ruth Dorsey Memorial Scholarship - This scholarship is offered in memory of Ruth Dorsey, founder of Dorsey Schools. Dorsey Schools awards one (1) full scholarship annually for any Dorsey Schools career training program of the student's choice, up to \$16,000. (Full scholarship, after application for Federal Pell Grant, will be disbursed on a quarterly basis.)

Karen Cortis Memorial Scholarship - This scholarship is offered in memory of Karen Cortis, a long-time Director of Education at Dorsey Schools. One (1) half-scholarship per campus will be awarded annually, for any Dorsey Schools career training program of the student's choice, up to \$8,000. (Half scholarship, after application for Federal Pell Grant, will be disbursed on a quarterly basis.)

Memorial Scholarship Application Requirements

To be eligible, applicants must:

- Be scheduled to graduate high school or have passed the test of General Educational Development (GED) any time during the scholarship period.*
- Possess a minimum cumulative grade point average (CGPA) of 2.0 through his/her junior and senior years of high school or GED equivalent.
- Complete a scholarship application, signed by a representative of Dorsey Schools, and submit a copy of the high school diploma or GED.
- Provide evidence of acceptance to any of Dorsey Schools' training programs.

* Refer to the scholarship application for exact dates.

A maximum of one (1) scholarship may be awarded to any single applicant. Recipients of scholarships must commence training as indicated in the scholarship brochure.

Military Award Scholarship - Dorsey Schools will offer two (2) annual scholarships per campus to any active duty member or honorably discharged veteran of any United States military service branch for attendance at the selected campus. The value of this scholarship is \$1,000, and awards will be made by the Dorsey Scholarship Committee. The purpose of the Military Award Scholarship is to help those with military service receive a career education and make the transition from military to civilian life. (Scholarships will be disbursed on a quarterly basis, one scholarship per student).

Military Scholarship Application Requirements

To be eligible, applicants must:

- Be admitted to a certification program at Dorsey Schools;
- Be a member of the United States Armed Forces or an Honorably Discharged Veteran;
- Maintain satisfactory academic progress at Dorsey Schools.

Dorsey Schools Grant - The Dorsey Schools Grant is awarded to eligible students; students must first apply for Title IV funds using the FAFSA on the Web application. Students not eligible for a Pell Grant may be eligible to receive the Dorsey Schools Grant. The Dorsey Schools Grant is awarded on a quarterly basis of \$150 per quarter with a maximum value based on the number of credit hours in the Dorsey Career program enrolled in as follows:

| <u>Total Credit Hours In Program</u> | <u>Maximum Value</u> |
|--|--------------------------|
| 28 credits | \$300 |
| 36 credits | \$450 |
| 48 credits | \$600 |
| 54 credits | \$750 |

The Dorsey Schools Grant may be used to reduce or eliminate the need for students to utilize the private loans. To remain eligible for the Dorsey Schools Grant, students must be in an active school status. The Dorsey Schools Grant can only be used to cover direct cost incurred by the student (e.g. tuition, fees); it cannot be used to cover other educationally related expenses that a student may have (e.g. travel, room & board, etc.).

Tuition Reimbursement

Dorsey Schools will accommodate any student eligible for employer or employee-related benefits to secure such benefits by completing required forms and submitting required performance reports or other documentation. The student is responsible, however, for all tuition charges incurred with training in the event reimbursement requests are not honored as expected.

Advance Cash Payment Plan

Dorsey Schools also offer an Advance Cash Payment Plan than can save students 6% off the cost of training. A great way to save! Be sure and ask about how to be eligible for these savings towards your career education at the Dorsey Schools when you visit. Contact your campus Financial Aid Office today for personalized assistance and information on applying for financial aid.

Federal Stafford Loan Program and Private Educational Loans

Direct Subsidized Stafford Loan - The Subsidized Stafford Loan program provides low interest loans through the U.S. Department of Education's Direct Loan Program. The maximum annual loan amount for the first academic year is \$3,500 for undergraduate students, less origination and other fees (if applicable). The federal government pays the interest while in school. For loans disbursed after July 1st 2012, interest does not accrue until the student enters their grace period after leaving school or dropping below a halftime enrollment status. Subsidized Federal Stafford loans provide many flexible repayment plans as outlined in the loan counseling materials. Payments are based on the repayment plan selected by the student.

For loans first disbursed on or after July 1st 2011, the interest rate is fixed at 3.4%. Borrowers with other outstanding loans may be eligible to consolidate eligible loans into one consolidated payment. Please refer to your Loan Entrance counseling package for additional information.

Direct Unsubsidized Stafford Loan – If you do not qualify for a full or partial Subsidized Stafford Loan based on your financial need, or need additional loan funding, you may qualify for an Unsubsidized Stafford Loan through the U.S. Department of Education’s Direct Loan Program. The federal government does not pay the interest on unsubsidized loans while you are in school. Student loan borrowers are responsible for all interest that accrues on the loan while enrolled, during your grace period, and any deferment periods. Students may elect to make interest payments while in school to avoid the capitalization of interest and lower the overall repayment debt. Loan repayment begins six months after leaving school or six months after you elect to attend less than half time.

Independent students can borrow up to \$9,500 (Subsidized and Unsubsidized combined) for the first academic year. Dependent students can borrow up to \$5,500 (Subsidized and Unsubsidized combined) for the first academic year. For loans first disbursed on or after July 1st 2011, the interest rate is fixed at 6.8%.

See the summary of loan information below; contact your Financial Aid Administrator to receive further information regarding the maximum Federal Stafford annual loan amounts for second or subsequent academic years.

SUMMARY

Direct Subsidized Stafford Loan - The federal government pays the interest on a subsidized student loan during: in-school status, authorized deferment periods; and, for loans first disbursed before July 1, 2012, for the six month grace period. For Subsidized loans first disbursed after July 1, 2012 students are responsible for the interest during the grace period.

Loan Limits

- First Year – \$3500
- Second Year – \$4500
- Third or Fourth Year - \$5500

Additional Direct Unsubsidized Stafford Loan (Dependent Students whose parents were not denied a PLUS loan) -
The student is responsible for interest charged during all periods, including while you are in school, during grace period and deferment period.

Loan Limits

- First Year - \$2000
- Second Year - \$2000
- Third or Fourth Year - \$2000

Direct Unsubsidized Stafford Loan (Independent Students and Dependent Students whose parents were denied a PLUS loan) -
The student is responsible for interest charged during all periods, including while you are in school, during grace period and deferment period.

Loan Limits

- First Year - \$6000
- Second Year - \$6000
- Third or Fourth Year - \$7000

Aggregate Limits for Subsidized/Unsubsidized Loans

| | Sub | Total (Sub and Unsub) |
|---|------------|------------------------------|
| Dependent Undergraduates (excluding those whose parents can’t borrow PLUS) | \$23,000 | \$31,000 |
| Independent Undergraduates (Dependent Students whose parent can’t get PLUS) | \$23,000 | \$57,500 |

Direct PLUS Loan (For Parents) - The Federal PLUS loan is available to parents who wish to apply for additional assistance for their dependent child's education. A parent's decision not to apply for a PLUS loan does not guarantee the dependent student may receive additional financial aid assistance. The amount of the PLUS loan cannot exceed the student's cost of attendance less other student aid awarded. The interest rate varies and is adjusted each year, not to exceed 9%, and begins to accumulate on the date of the first disbursement. PLUS loans through the Federal Direct Student Loan Program disbursed on or after July 1st 2011 will have a fixed rate of 7.9%. Loan repayment begins 60 days after the final loan disbursement; however parents may apply for a deferment. Payments will include both principal and the interest that accumulates.

Private Educational Loans – Students have a variety of options if they choose to apply for private loans. Dorsey Schools does not use a preferred lender list, we provide students with a list of private education loan lenders that have offered private loans to our students over the past four years. Students should select a private lender of their choice – they are not required to use any of the lenders we have listed. Dorsey Schools will promptly process the application for any lender that is selected by students. Students and parents should first apply for Federal Student Aid before resorting to private educational loans.

Dorsey Schools also offers a private institutional loan to eligible students that have a gap in their Federal Student Aid and the amount of their institutional tuition and fees. This loan can only be used for direct educational expenses such as tuition and fees. Contact your financial aid office for additional information.

Prevention of Financial Aid/Scholarship Fraud

Every year, millions of high school graduates seek creative ways to finance the markedly rising costs of a college education. In the process, they sometimes fall prey to scholarship and financial aid scams. On November 5, 2000, Congress passed the College Scholarship Fraud Prevention Act of 2000 (CSFPA). The CSFPA enhances protection against fraud in student financial assistance by establishing stricter sentencing guidelines for criminal financial aid fraud. It also charged the Department, working in conjunction with the Federal Trade Commission (FTC), with implementing national awareness activities, including a scholarship fraud awareness site on the ED web site.

According to the FTC, perpetrators of financial aid fraud often use these telltale lines

- The scholarship is guaranteed or your money back.
- You can't get this information anywhere else.
- I just need your credit card or bank account number to hold this scholarship.
- We'll do all the work.
- The scholarship will cost some money.
- You've been selected by a 'national foundation' to receive a 'scholarship' or 'You're a finalist,' in a contest you never entered.

To file a complaint, or for free information, students or parents should call 1.877.FTC.HELP (1.877.382.4357) or visit: www.ftc.gov/scholarshipscams.