

## ***Methods of Distributing Aid and Student Notifications***

Federal Aid is distributed to eligible students who complete the Free Application for Federal Student Aid (FAFSA) and meet all required eligibility criteria as further described within the application instructions. Students should go to [www.FAFSA.ed.gov](http://www.FAFSA.ed.gov) to complete the application or visit the financial aid office for any questions regarding the FAFSA.

Students are also encouraged to visit their library or research on the Internet as a source for additional scholarship programs not administered or awarded by the institution.

### ***Disbursing Federal Student Aid***

Funds received as financial assistance for a student are electronically credited to the student's account. The student (and parent in the case of PLUS loans) is sent a notification when loan funds have been disbursed or credited on his/her account. Paper copies of these notifications are available upon request from the financial aid office. Students should visit the financial aid office to determine which of the two (2) methods described below is used at their school, for the program enrolled in.

***Programs Using Credit Hours in Standard or Non-Standard Academic Terms (Quarter = term)*** - Financial aid is awarded based on an academic year as defined on a program-by-program basis at the institution. Disbursement of aid varies by the type of assistance. For programs using standard or non-standard academic terms, a portion of the Federal Pell Grant and Federal Supplemental Educational Opportunity Grant (SEOG), for those who qualify, will be paid to the student's account during each payment period or term. Federal Work Study is paid to employed students through the Dorsey payroll system, in the form of direct deposit or paper checks.

In order to receive Federal Student Loan proceeds, the student (parent in the case of PLUS loans) must complete and sign a valid promissory note. The loan proceeds are used to satisfy the student's tuition and fees for the academic year and are disbursed once per term, for the standard term programs. For non-standard programs, loan funds are disbursed when the student has successfully completed half the weeks of instructional time AND half the credits in each academic year. Once tuition and fees charged by the institution have been met, the student may receive the excess amount of federal student aid that creates a credit on the account. A borrower's account will not be credited with Federal Direct loans until 30 days after their first day of class and once they have completed a loan entrance counseling.

***Programs Using Non-Terms Academic Calendar (Clock-Hour)*** - Financial aid is awarded based on an academic year as defined on a program-by-program basis at the institution. Disbursement of aid varies by the type of assistance. A student can receive the first disbursement of Pell and Federal Supplemental Educational Opportunity Grant (SEOG), when the student begins the program or academic year. A student is eligible to receive the second disbursement upon successful completion of half the weeks of instructional time AND half the clock hours in the academic year or program, or the remaining portion of a program that is more than one-half of an academic year but less than a full academic year.

In order to receive Federal Student Loan proceeds the student (parent in the case of PLUS loans) must complete and sign a valid promissory note. The loan proceeds are used to satisfy the student's tuition and fees for the payment period. Once tuition and fees charged by the institution have been met, the student may receive the excess amount of federal student aid that creates a credit on the account. A borrower's account will not be credited with Federal Direct loans until 30 days after their first day of class and once they have completed a loan entrance counseling.

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### **STUDENT NOTIFICATIONS AND AUTHORIZATIONS**

#### ***Subsidized and Unsubsidized Master Promissory Note (MPN)***

Students have the ability to obtain loan funds not exceeding the established loan limits through the Subsidized and Unsubsidized Federal Stafford Loan program without having to sign a new Master Promissory Note for each academic year.

The institution utilizes a passive notification (except for parents using a PLUS loan). The borrower requests the requested loan amounts during their packaging appointment in the financial aid office, this is documented on the Tuition Proposal worksheet. An Award Letter will also be provided to the borrower indicating each award amount, disbursement amounts and estimated dates the disbursements are expected at the school. If the borrower decides to decline or make adjustment to the type or the amount of the loan, they must contact the financial aid office.

#### ***Parent PLUS Master Promissory Note (PLUS MPN)***

For Parent PLUS loans made under the multi-year feature of the MPN, the regulations that govern the loan programs require the financial aid office at the school to document an active confirmation of Parent PLUS loan funds via an estimated award letter. The confirmation process is to provide a means for the parent borrower to accept or decline a PLUS loan made for a student's subsequent academic year. This assists in providing the parent borrower with greater control and understanding of PLUS loan debt. The active confirmation is documented when the parent signs an award letter.

#### ***Notice of Right to Cancel***

When loan disbursements for the Federal Stafford loan funds are received at the school, a receipt is generated and mailed to the student and/or parent. The Notice of Right to Cancel the loan is also included on this receipt; it gives the borrower information on how and when the loan can be cancelled.

#### ***Authorizations Regarding Credit Balances***

An 'Authorization to Hold – T4 Student' and/or an 'Authorization to Hold – T4 Parent' form is provided to students by the financial aid office soon after enrollment. Students and parents (of a dependent student applying for PLUS loans) review the statements, select the appropriate authorization category, and provide the signed form to the financial aid office. For continuing students who previously signed this statement, the initial authorization will continue to be valid for subsequent award years or enrollment periods. The authorization categories available for student/parent selection are as follows:

- Based on student's authorization, the institution will retain any existing credit balance on the account to be applied to allowable future charges to assist students in managing those funds or to be disbursed at their request.
  
- Based on the student's authorization, in the event that funds are not requested prior to leaving the institution, the institution will return the credit balance to the lender as prepayment of the student loan.

Students also are informed of their option to rescind either authorizations at any time.

**Title IV credit balances, also known as "stipends", are paid in the form of a check, and mailed to students within 14 days of the date the credit is created on the student account.**