

## ***How and When Financial Aid Will Be Disbursed***

### *Methods of Distributing Aid among Students*

Federal Aid - 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.

*Schools Using Standard Academic Terms ("Standard 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 schools using standard academic terms, a portion of the Federal Pell Grant and Federal Supplemental Educational Opportunity Grant, for those who qualify, will be paid to the student's account during each payment period or term. (Quarter = term).

In order to receive federal 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. 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 Stafford loans until 30 days after their first day of class and once they have completed a loan entrance counseling.

*Schools Using 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 FSA grant 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 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 Stafford loans until 30 days after their first day of class and once they have completed a loan entrance counseling.

## BORROWER CONFIRMATION FOR LOANS IN A SUBSEQUENT ACADEMIC YEAR

### *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 will notify the borrower of the loans amounts awarded through the Tuition Proposal worksheet. An Award Letter will also be provided to the borrower indicating the actual disbursement amounts and dates the borrower should expect to receive the funds. 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. Active confirmation can be completed via a signed award letter.

### *Authorizations Regarding Credit Balances*

A "Title IV Student/Parent Authorizations" 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 their authorizations at any time.