

# Arlington Career Institute

## FINANCIAL ASSISTANCE INFORMATION

It is the goal of ACI to assist every eligible student in procuring financial aid that enables the student to attend school. The school participates in various federal and state student financial assistance programs. The financial aid programs are designed to provide assistance to students who are currently enrolled or accepted for enrollment, but whose financial resources are inadequate to meet the full cost of their education.

The majority of financial aid available to students is provided by the Federal Government and is called federal student financial aid (SFA). This includes the Federal Pell Grant and Federal Direct Student (FDSL) Program (Subsidized and Unsubsidized Stafford and Federal Parent Loans for Undergraduate students). The institute also utilizes alternate source funding provided by the institution or private agencies. Alternate source loans enable the student to contribute to his/her education while in school.

The primary responsibility for meeting the costs of education rests with the individual student and their families. All financial aid is awarded on the basis of need, regardless of sex, age, race, color, religion, creed, or national origin. Need is defined as the difference between the cost of education for one academic year and the amount a student's family can be reasonably expected to contribute to this cost of education for the same period.

## CONSUMER INFORMATION

Most of the information dissemination activities required by the Higher Education Amendments of 1986 have been satisfied within our catalog. However, student finance personnel are available, in accordance with federal regulations, to discuss consumer information in more detail with current and prospective students.

To be eligible for financial aid, a student must:

- Be enrolled as a regular student in an eligible program of study on at least a half-time basis
- Have a high school diploma or its recognized equivalent such as a GED certificate
- Be a U.S. citizen or national or an eligible non-citizen. Verification of eligible non-citizen status may be required;
- Have financial need (except for some loan programs) as determined by a need analysis system approved by the Department of Education;
- Maintain satisfactory academic progress;
- Provide required documentation for the verification process and determination of dependency status;
- Have a valid Social Security Number;
- Not have borrowed in excess of the annual aggregate loan limits for the Title IV financial aid programs;
- Be registered for the Selective Service, if required;
- Sign an updated Statement of Educational Purpose/Certification Statement on refunds and default.

## **FINANCIAL AID PROGRAMS**

### **GENERAL**

All Title IV financial aid funds received by the institution will be credited to the student's account with the exception of requirements set forth in Section 6.82.604 of current federal regulations. The different types of financial aid programs available to those who qualify are discussed in detail below.

### **SELECTION OF ELIGIBLE APPLICANTS**

#### **FEDERAL PELL GRANT**

This grant is designed to assist needy students who desire to continue their education beyond high school. Federal Pell Grants are only awarded to undergraduate students who have not earned a bachelor's or professional degree and students who are enrolled in an eligible Post-baccalaureate teacher certification program if they meet certain requirements. Each student is entitled to apply for a Federal Pell Grant. Eligibility is determined by the student's need, the cost of attendance, and the amount of money appropriated by Congress to fund the program. The amount of the grant is determined by a standard formula used by the Department of Education. The amount of the grant available to the student will depend on the Expected Family contribution (EFC) and the cost of attendance.

For many students, the Federal Pell Grant provides a "foundation" of financial aid to which other aid may be added to defray the cost of school education. Students or prospective students may secure an application to participate in the Federal Pell Grant program from the student finance office of the school or from a high school counselor. The application will be transmitted electronically through a federally approved need analysis system, which will determine the applicant's Expected Family Contribution (EFC).

#### **FEDERAL DIRECT LOAN PROGRAM**

##### **DIRECT STAFFORD LOANS, from the William D. Ford Federal Direct Loan Program**

Direct Loan programs are low-interest loans for eligible students to help cover the cost of education. Eligible students borrow directly from the U.S. Department of Education. The loan is then sent to the U.S. Department of Education's Common Origination and Disbursement Center (COD) and disbursed to the school electronically through the G-5 website. The loans are serviced by the Direct Loan Servicing System. Direct loans include Direct Subsidized, Direct Unsubsidized and Direct PLUS loans.

##### **DIRECT SUBSIDIZED STAFFORD LOANS**

Direct Subsidized Stafford Loans are loans available to students with financial need. Students may borrow up to \$3,500 for their first academic year, and \$4500 for their second academic year, at a fixed interest rate established annually by the U.S. Department of Education. The interest is paid by the federal government while students are in school and for six months after students cease their enrollment.

Regular payments begin six months after students cease enrollment or fail to carry at least one-half the normal full-time school workload. Deferments after the student drops below half-time status are not automatic and the student must contact the lender concerning their loan. Applications can be obtained

from the school's student finance office or from the Federal Direct Loan program. Total Indebtedness for an independent undergraduate student is \$57,500. (no more than \$23,000 of this amount may be subsidized loans.)

There is an origination fee of 1% charged as an expense of borrowing one of these loans. The loan fee is a percentage of the amount of each loan the borrower receives, and is subtracted proportionately from each loan disbursement. This must be repaid. The loan interest rate is fixed and set on July 1<sup>st</sup> of each year.

## **DIRECT UNSUBSIDIZED STAFFORD LOANS**

Direct Unsubsidized Stafford Loan programs are available for students to borrow for additional education costs regardless of family income who do not qualify in whole or in part, for a Subsidized Stafford loan. An unsubsidized Stafford loan is not awarded based on need. The term "unsubsidized" means that interest is not paid for the student. The student is charged interest from the time the loan is disbursed until it is paid in full.

Independent and Dependent students whose parents are unable to obtain a PLUS loan can borrow up to \$9,500 for their first academic years as a combined total with the Federal Subsidized Stafford loan, and up to \$10,500 for their second academic year, at a fixed interest rate established annually by the U.S. Department of Education. Dependent students whose parents are approved for a PLUS loan are limited to a combined total of \$5,500 for the first Academic year and \$6,500 for the second academic year. With the exception of demonstrating financial need, borrowers must meet all eligibility criteria of the Direct Subsidized Stafford Loan program. Interest payments begin immediately after the loan is fully disbursed or may be added to the principal balance. The Government does not pay interest on the student's behalf on an Unsubsidized Federal Stafford Loan. Regular payments begin six months after students cease enrollment or fail to carry at least one-half the normal full-time school workload.

There is an origination fee of 1% charged as an expense of borrowing one of these loans. The loan fee is a percentage of the amount of each loan the borrower receives, and is subtracted proportionately from each loan disbursement. This must be repaid. The loan interest rate is fixed and is set on July 1<sup>st</sup> of each year.

## **DIRECT PLUS LOANS**

The Federal Direct PLUS loan is available to parents of dependent students to help pay for the educational expenses of the student. PLUS loans are not based on need, but when combined with other resources, cannot exceed the students cost of education.

Parents may borrow up to the cost of attendance minus other aid per eligible dependent student. There is an origination fee of 4% charged as an expense of borrowing one of these loans. The loan fee is a percentage of the amount of each loan the borrower receives, and is subtracted proportionately from each loan disbursement. This must be repaid. The loan interest rate is fixed and is set on July 1<sup>st</sup> of each year.

Repayment begins within 60 days of the final disbursement unless the parent qualifies for and is granted a deferment by the lender. There is no grace period for these loans. Interest begins to accumulate at the time of the first disbursement is made, and parents will begin repaying both the principal and interest while the student is in school. Although, the minimum payment amounts is \$50 with at least

five years but no more than 10 years of repayment, the actual payment and schedule is determined by the total amount borrowed. Applications can be obtained from the school's student finance office or from the Federal Direct Loan Program.

For deferment information, contact the Student Finance Office.

## **INSTITUTIONAL LOAN PROGRAM**

Loans are available to students through the school that enable the student and/or family to contribute to the student's educational cost while in attendance. Please contact the Student Finance Office for further information.

## **BORROWER RIGHTS AND BORROWER RESPONSIBILITIES**

When a student takes on a student loan he/she has certain rights and responsibilities. The borrower has the right to receive the following information before the first loan disbursement:

- The full amount of the loan;
- The interest rate
- When the student must start repaying the loan
- The effect borrowing will have on the student's eligibility for the other types of financial aid
- A complete list of any charges the student must pay (loan fees) and information on how those charges are collected
- The yearly and total amounts the student can borrow
- The maximum repayment periods and the minimum repayment amount
- An explanation of default and its consequences
- An explanation of available options for consolidating or refinancing the student loan
- A statement that the student can prepay the loan at any time without penalty

The borrower has the right to receive the following information before leaving school:

- The amount of the student's total debt (principal and estimated interest), what the student's interest rate is, and the total interest charges on the loan(s)
- A loan repayment schedule that lets the student know when his/her first payment is due, the number and frequency of payments, and the amount of each payment
- The fees the student should expect during the repayment periods, such as late charges and collection or litigation costs if delinquent or in default
- An explanation of available options for consolidating or refinancing the student's loan
- A statement that the student can repay his/her loan without penalty at any time.

The borrower has the responsibility to:

- Understand that by signing the promissory note, the student is agreeing to repay the loan according to the terms of the note
- Make payments on the student loan even if the student does not receive a bill or repayment notice
- If the student applies for a deferment or forbearance, he/she must still continue to make payments until notification that the request has been granted

- Notify the appropriate representative (institution, agency or lender) that manages the student's loan when the student graduates, withdraws from school, or drops below half-time status; changes his/her name, address, or Social Security Number, or transfers to another institution.

Receive entrance counseling before being given the first loan disbursement and to receive exit counseling before leaving school.

## **APPLICATION**

To apply for financial aid, a student must complete a standard application such as the Free Application for Federal Student Aid (FAFSA). The application must be completed with extreme care and accuracy. Our Student Finance Department is available to assist students in the completion of this form and to answer any questions.

Most students use FAFSA on the Web to apply for federal student aid. Students can complete an application online at [www.fafsa.gov](http://www.fafsa.gov) and send it directly to the Central Processing System (CPS). They can also correct any of their previously submitted data. Help is available for students online or by calling the Federal Student Aid Information Center (FSAIC) at 1-800-4-FED-AID (1-800-433-3243).

The FAFSA is used to determine eligibility for all types of financial aid programs. Once processed, the application will produce an Expected Family Contribution (EFC) which determines eligibility.

Financial aid from federal programs is not guaranteed from one year to the next. Each student must reapply every year. Also, if the student changes school their aid does not automatically go with them. Each student should check with their new school to find out the appropriate procedure for reapplying for financial aid.

## **NEED AND COST OF ATTENDANCE**

Once the application is completed, the information will be used in a formula established by the U.S. Congress, that calculates need and helps determine eligibility. When combined with other aid and resources, a student's aid package may not exceed the cost of attendance.

## **SATISFACTORY ACADEMIC PROGRESS**

Students must meet the standards of satisfactory academic progress in order to remain eligible to continue receiving financial assistance as well as to remain eligible to continue as a student of the school.

The student finance office will provide details to all eligible recipients. Students should read these standards carefully and refer any questions to academic or student finance personnel.

Satisfactory academic progress for purposes of determining continuing federal financial assistance is determined by applying the CGPA requirements, progression towards completion requirements, maximum completion time restrictions, probation provisions suspension and dismissal procedures, and appeals procedures as outlined on pages 32-35 of the school catalog.

Students on academic probation are considered to be maintaining satisfactory academic progress and are eligible to continue receiving federal financial assistance. Student who have been academically suspended or dismissed are no longer active students of the school and are ineligible for financial aid.

Reinstatement of financial aid eligibility will occur only after re-admittance following suspension or in the event the student's appeal results in re-admittance.

## **POLICIES AND PROCEDURES FOR VERIFICATION**

1. All selected applicants will be verified.
2. Students will be notified of verification requirements by the Student Finance Department by the most appropriate method to contact the student whether it is by phone or letter.
3. Selected applicants must submit required verification documents within twenty-eight (28) days of notification.
4. If the student fails to provide the required documentation within the established timeframe, then the student will be treated as a cash-paying student until the documents are provided.
5. If the student does not meet the deadline and is not capable of making cash payment at the end of the deadline he/she will be dismissed from the school. The student may re-enter the school only when he/she can provide the documentation or satisfactory cash payments.
6. The Student Finance Office reserves the right to make exceptions to the above stated policies due to extenuating circumstances, on a case-by-case basis.
7. Students will be given a clear explanation of the documentation needed to satisfy the verification requirements and the process for document submission.
8. The school will inform students in a timely manner of the consequences of failing to complete the verification requirements and the actions the school will take if the student does not submit the requested documentation within the time period specified by the school.
9. Student will be informed of their responsibilities regarding the verification of application information, including the school's deadline for completion of any actions required.
10. Students will be notified if the results of verification changes the student's scheduled award. Student will be notified by phone and/or letter.
11. The school will assist the student in correcting erroneous information.
12. Any suspected case of fraud will be reported to the Regional Office of the Inspector General, or, if more appropriate, to a State or local law enforcement having jurisdiction to investigate the matter. Referrals to local or state agencies will be reported on an annual basis to the Inspector General.
13. No interim disbursements of Title IV aid will be made prior to the completion of verification.

## **FINANCIAL AID HISTORY (NSLDS)**

Federal regulations require that the Federal Direct Student Loans (subsidized and unsubsidized Stafford) cannot be released nor can a Federal PLUS be certified until financial aid information has been received from all schools an applicant attended. Financial aid information is necessary even if the student did not receive any aid. The institution may get this information by using the financial aid information they receive from the NSLDS page of the student's SAR/ISIR or from the NSLDS website.

## **TUITION CHARGES**

The school quotes standard tuition prices for each regular program offered. Arrangements for payment of tuition and book charges (if applicable) must be made in advance of the first day of class. The school charges the student's account for tuition on the first day of scheduled classes. See catalog Supplement for tuition and fees for each program offered at the school

Detailed below are other educational expenses considered in determining the student's cost of attendance and information on how those costs were derived. These include personal room and board, and transportation costs.

The amount of personal expense allowed all students is \$267 per month. This figure was determined by a national average obtained from the Bureau of Labor and Statistics

Room and board costs are also obtained from the Bureau of Labor Statistics. The allowable costs for students without dependents who live with their parents is \$425 per month. The allowable costs for students without dependents who do not live with their parents and students with dependents is \$847 per month. These figures were determined by a national average obtained from the Bureau of Labor and Statistics.

Information on how the average cost was arrived is available in the Student Finance Office.