

Financial Aid Information

Schools recognize that in many instances individuals and their families are not able to meet the entire cost of education. Therefore, the Financial Aid Office will assist students with the process of applying for federal student financial aid. Your Financial Aid Administrator (FAA) is the designated official at the school for consumer information. If a student or parent has a question, they should not hesitate to contact the FAA at the financial aid office at your school. You can reach the financial aid office and your FAA by contacting the school's main number located on the school's website.

TYPES OF FEDERAL FINANCIAL AID PROGRAMS

Eligibility

Eligibility for federal student aid is based on financial need and on several other factors. Generally, to be eligible for Federal Financial Aid, a student must:

- demonstrate financial need (except for certain loans).
- have a high school diploma or a General Education Development (GED) certificate, or complete a high school education in a home school setting that is treated as such under state law.
- be enrolled or accepted for enrollment as a regular student working toward a degree or certificate in an eligible program.
- be a U.S. citizen or eligible noncitizen.
- have a valid Social Security Number.
- register with the Selective Service if required. A student can use the paper or electronic FAFSASM to register, register at www.sss.gov, or call 1-847-688-6888. (TTY users can call 1-847-688-2567.)
- maintain satisfactory academic progress once in school.
- certify that he or she is not in default on a federal student loan and do not owe money on a federal student grant.
- certify that he or she will use federal student aid only for educational purposes.

To apply for federal student aid you should complete a Free Application for Federal Student Aid (FAFSA) form. These forms can be found on the Department of Education's website, www.fafsa.ed.gov. Ask your financial aid advisor for your school's code. Your actual eligibility amounts will be determined from the information you report on the FAFSA.

Grants

Federal Pell Grant

The Pell grant is gift assistance which 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 2010-11 award year, the minimum grant for a full-time student is \$555 and the maximum grant is \$5,550.

Federal Supplemental Education Opportunity Grant (FSEOG)

The FSEOG is gift assistance which 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.

Academic Competitiveness Grant – (may not be available at all school locations)

Beginning 2011-2012, the Department of Education will no longer fund the Academic Competitiveness Grant (ACG), and thus it will not be available.

National SMART Grant – (may not be available at all school locations)

Beginning 2011-2012, the Department of Education will no longer fund the National Science and Mathematics Access to Retain Talent Grant (SMART Grant), and thus it will not be available.

Work-Study

Federal Work-Study – (may not be available at all school locations)

The Federal Work-Study program offers students the opportunity to meet part of their expenses by working part-time on or off campus for at least minimum wage. A limited number of assignments are available, and priority is given to students with the greatest financial need who are qualified for the job assignments available. Please see your Financial Aid Office for available assignments and additional information regarding the Federal Work-Study Program. See the Terms and Conditions of Federal Work Study Employment as Part of the Financial Aid Package section below.

Loans

Subsidized Federal Stafford Loan

The subsidized Federal 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, and \$8,500 for graduate students, less origination and other fees (if applicable). The federal government pays the interest for you during in-school, in-grace, and deferment periods. Interest does not accrue until the student enters repayment six months after leaving school or dropping below a half-time enrollment status. The minimum repayment amount is \$50 per month; however, 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 7/1/2011, the interest rate is fixed at 3.4% for undergraduate students and 6.8% for graduate students. 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.

Unsubsidized Federal 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. The federal government does not pay the interest on unsubsidized loans while you are in school or have loans in a deferred status. Student loan borrowers are eligible for all interest that accrues on the loan while enrolled, during your grace period, and any deferment

periods. You 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 if 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 7/1/2009, the interest rate is fixed at 6.8%.

Please see your Financial Aid Administrator to receive further information regarding the maximum Stafford annual loan amounts for second or subsequent academic years.

Parent PLUS Federal Loan

The Federal PLUS loan is available to parents who wish to apply for additional assistance for their dependent child's education. The PLUS loans are made through banks, savings and loans, and other lending institutions. 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 family education Loan Program first disbursed on or after 7/1/2009 will have a fixed interest rate of 8.5%, and those first disbursed on or after 7/1/2009, through the Federal Direct Student Loan Program will have a fixed interest rate of 7.9%. The first payment will be due within 60 days after the final loan disbursement. Payments will include both principal and the interest that accumulates.

Graduate PLUS Federal Loan (only available to students enrolled in post-baccalaureate programs)

The Federal Graduate PLUS loan is available to students enrolled in a post-baccalaureate program who wish to apply for additional assistance. The Graduate PLUS loans are made through banks, savings and loans, and other lending institutions. The amount of the Graduate 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. Graduate PLUS loans through the Federal family education Loan Program first disbursed on or after 7/1/2009, will have a fixed interest rate of 8.5%, and those first disbursed on or after 7/1/2009, through the Federal Direct Student Loan Program will have a fixed interest rate of 7.9%. Please review your Loan Entrance Interview package for additional information regarding your loans.

Federal Perkins Loan (only available at some Kaplan institutions)

The Federal Perkins loan is a deferred payment, deferred interest loan administered by your institution. Students with exceptional need may qualify for Perkins loans in the amount of \$4,000. Although this loan is made with government funds, availability of aid is dependent on the availability of Perkins funds at your institution and the need of other student applicants. Therefore, Kaplan cannot guarantee availability of funds.

Students who receive a Federal Perkins loan are subject to the terms and conditions disclosed on the Federal Perkins Loan Master Promissory Note and have a fixed interest rate of 5%.

STATE AND LOCAL AID, SCHOOL AID, AND OTHER PRIVATE AID PROGRAMS

The school catalog lists other aid programs which may be available such as State and Local Aid, School Aid, and other Private Aid programs to enrolled students. Students should review the school catalog and see the Financial Aid Office for additional information on current aid programs.

APPLYING FOR FEDERAL STUDENT FINANCIAL AID

Each student interested in receiving financial assistance must submit the “Free Application for Federal Student Aid” (FAFSA) or provide a copy of the Student Aid Report (SAR) if the FAFSA was previously completed within the award year.

The Financial aid office will utilize the results of the FAFSA to estimate and determine the student’s financial aid eligibility.

A student may be chosen to participate in a *verification* process of the information submitted on the FAFSA by the U.S. Department of Education. A student may be selected by the U.S. Department of Education’s Central Processor (CPS) following procedures established by federal regulation.

If, during the application process, the file is selected for “verification” by the U.S. Department of Education, the student and their family must submit all documents required to validate the information listed on the FAFSA application.

Students should refer to www.studentaid.ed.gov website which is sponsored by the U.S. Department of Education for more detailed information.

METHODS OF DISTRIBUTING AID AMONG STUDENTS

Federal Aid

Federal Aid is distributed to students who complete the Free Application for Federal Student Aid (FAFSA) and meet the eligibility criteria as further described within the application instructions. Students should visit www.FAFSA.ed.gov or the financial aid office for an application.

State Aid

State Aid is distributed to students who meet the eligibility criteria as described in the specific state aid program requirements. Students should visit the financial aid office for additional information on state aid programs available to enrolled students of the institution and application.

Institutional Aid (Scholarships)

Colleges may offer various types of scholarships to students enrolled in specific programs of study, participating in campus athletics, having met specific academic standards, etc. The number of scholarships recipients varies from year to year depending on the funding available and the number of eligible applicants. For additional information on available institutional scholarships students are encouraged to visit/contact the financial aid office at the campus.

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.

METHODS OF DISBURSING FEDERAL STUDENT AID

Students should visit the Financial Aid Office to determine which of the three methods described below is used at the school.

Colleges 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 colleges 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. (i.e., Quarters – three terms and Semesters – two terms)

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 obligations 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 first year, first time borrower’s account will not be credited with Stafford loans until 30 days after their first day of class and completed a loan entrance interview.

Colleges Not Using Standard Academic Terms (“Non-Term”)

Financial aid is awarded based on an academic year. The disbursement of aid varies by the type of assistance.

For colleges not using standard academic terms, the Federal Pell Grant and Federal Supplemental Educational Opportunity Grant -for those who qualify- is credited to the student’s account twice during the academic year. The credits are awarded at the beginning and at the mid-point of the academic year as measured in credits earned and weeks attended.

In order to receive federal loan proceeds the student (parent in the case of PLUS loans) must complete and sign a valid promissory note. A second disbursement of loan funds for the academic year is made after the student has completed half of their academic workload for the academic year and has reached the calendar midpoint. Once tuition and fees obligations 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 first year, first time borrower’s account will not be credited with Stafford loans until 30 days after their first day of class and completed a loan entrance interview.

Colleges Using Non-Standard Terms (“Non-Standard Term”)

Financial aid is awarded based on an academic year. The disbursement of aid varies by the type of assistance.

For colleges using non-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. (i.e., Quarters – three terms and Semesters – two terms)

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 obligations 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 first year, first time borrower’s account will not be credited with Stafford loans until 30 days after their first day of class and completed a loan entrance interview.

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 Estimated Financial Aid Award Letter. 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, and signed Parent Loan Data Form, or documented by telephone or electronically.

STATEMENT REGARDING CREDIT BALANCES

A "Statement of Credit Balances" 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 statement, 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.
- 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.
- The institution will retain interest earned on the credit balance while the funds remain on the account.

TERMS AND CONDITIONS OF FEDERAL WORK STUDY EMPLOYMENT AS PART OF THE FINANCIAL AID PACKAGE

The Federal Work Study (FWS) program provides jobs to undergraduate and graduate students to assist them in meeting their educational expenses. To qualify for Federal Work Study program funds, the student must meet the eligibility requirements for Federal Student Aid. The amount of FWS for which a student is eligible depends upon:

- Degree of demonstrated financial need
- Availability of FWS funds at the school
- Availability of jobs and scheduling which do not conflict with the student's class schedule

Federal Work Study jobs may be located on or off campus. The school may set the work schedule. The financial aid administrator will take into consideration need, class schedule, health, and academic progress prior to arranging a job and assigning work hours. The school must inform the student of the terms and condition of employment that is part of your financial aid package.

Undergraduate students will be paid on an hourly basis. They are paid at least the current federal minimum wage and at least once a month.

If FWS is part of the student's aid package, they will receive notification via the Job Description and other notification which lists the amount of the award scheduled for the student. See the Federal Work-Study section above.

TERMS AND CONDITIONS UNDER WHICH STUDENT RECEIVE FEDERAL LOANS

The Federal Loan programs provide funds to undergraduate and graduate students to assist them in meeting their educational expenses. To qualify for Federal Loan program funds, the student must meet the eligibility requirements for Federal Student Aid as well as the loan program specific terms and conditions specified below:

Direct Loan (DL)

- Student must be enrolled at least half-time during the period of enrollment to retain their eligibility for DL program funds. Students whose enrollment status is below half-time are not eligible for DL program funds. If eligibility is lost due to being enrolled less than half-time, a student can regain eligibility if enrolled at least half-time during a subsequent period of enrollment.
- A student who is borrowing a loan for the first time is required to participate in loan entrance counseling prior to the first disbursement of the loan. The first disbursement of a loan cannot be made earlier than 30 days after the start of the term or period of enrollment.
- Financial Aid Administrators may not perform credit checks on students in connection with awarding them DL program funds.
- A student borrower who is in default on an FSA loan is not eligible for additional DL loan funds unless eligibility is regained.

Perkins Loan (if applicable)

Students should refer to the school catalog for determining whether Perkins loan funds are available at the institution.

- Undergraduate and Graduate level students who demonstrate exceptional need (as defined by the institution) have priority to available Perkins Loan funds.
- A student borrower who is in default on an FSA loan is not eligible for Perkins loan funds unless eligibility is regained.
- Unlike the DL program, a student does not have to be enrolled at least half time to be eligible to receive a Perkins loan.

SATISFACTORY ACADEMIC PROGRESS

Students are required to maintain Satisfactory Academic Progress while enrolled at the campus. Failure to maintain

Satisfactory Academic Progress could result in ineligibility for federal student aid. The Satisfactory Academic Progress information is contained in the school catalog.

FINANCIAL AID LOAN MANAGEMENT

Each first-time student borrower is required to attend/complete a loan entrance interview conducted individually, in a group, or online. The interview will include an explanation of the use of a Master Promissory Note (MPN), the importance of the repayment obligation, a description of the consequences of default, sample repayment schedules, information in reference to borrower's rights and responsibilities, as well as other terms and conditions.

Upcoming graduates, students who officially withdraw, or students who cease to attend at least half-time will be required to complete/attend the exit counseling session. Students who leave school without attending an exit counseling session will receive an exit counseling package mailed by the campus. Exit counseling addresses topics such as the requirement to repay the loan, repayment plans, updating contact and demographic information, the consequences of default. Please see The Financial Aid Loan Exit Counseling section for additional information.

Loan Repayment Obligation and Repayment Options

Students who receive federal student loans sign a Master Promissory Agreement (MPN) which states the student is obligated to repay the student loan funds regardless of the student's graduation, withdrawal from school, or the student's inability to obtain employment.

The student loan program offers students many different repayment options. Students are responsible for selecting the appropriate payment plan to suit their needs. The school's Financial Aid Office and lender are available to review the different repayment options.

If at any time a student becomes delinquent on a loan, it is the student's responsibility to contact the school or lender to determine what options are available to the student.

The Financial Aid Loan Entrance Counseling

The following information will be included in the Loan Entrance Counseling, which will be presented to a first-time student borrower prior to the first disbursement of loan funds.

- Explanation and use of the Master Promissory Note (MPN)
- Effect of accepting the loan on eligibility for other aid
- Seriousness and importance of the repayment obligation
- Option of the borrower to pay interest on Unsubsidized Stafford and Graduate PLUS loans while in school
- Interest accrual process and interest capitalization when a borrower elects not to pay interest or if the interest is not paid by the US Department of Education
- Definition of half-time enrollment
- Consequences of not maintaining half-time enrollment
- Importance of contacting the appropriate office at the school if the student plans to withdraw before completing the academic program to allow the school to provide exit counseling to the borrower
- Obligation to repay the loans even if: the borrower does not complete the program or does not complete the program within the regular time for completion, is unable to find employment, is dissatisfied with the

- school/program, or does not receive the services purchased from the school
- The importance of repayment and the consequences of default, including adverse credit reports, federal offset, and other federal delinquent debt collection procedures and litigation
- Sample monthly repayment amounts based on a range of levels of indebtedness or the average cumulative indebtedness of other loan borrowers within the same academic program as the borrower
- Information regarding the National Student Loan Data System (NSLDS) and how a borrower can access and monitor his or her loan records
- Name and contact information of the person the student may contact with questions regarding rights and responsibilities or loan terms and conditions

The Financial Aid Loan Exit Counseling

Students are required to attend a Financial Aid Loan Exit Counseling session prior to graduating or shortly before the student ceases enrollment of at least half-time study. Students who seek to withdraw from the campus should see the Financial Aid Office to obtain exit counseling. Several topics presented at the entrance counseling session are again presented at the exit counseling. Exit counseling is required for all graduated, withdrawn, or dismissed students prior to exiting the institution as well when a student ceases to attend at least half-time. If a student leaves school or chooses to postpone their education, the student should meet with a Financial Aid Administrator to understand the financial impact of this decision and attend loan exit counseling.

Exit counseling includes the following information:

- Explanation of all repayment plans available
- Comparative analysis of the features of each type of repayment plan, including average projected monthly payments and the difference in interest and total payments
- Explanation of the terms and conditions to obtain full or partial loan forgiveness or discharge
- Explanation of the terms and conditions the borrower may obtain a deferment or forbearance
- Debt management strategies to assist the student in successful loan repayment
- Information regarding the average anticipated monthly repayment amount based on the student loan borrower's actual indebtedness or the average indebtedness of student borrowers in the same academic program receiving the same types of loans
- A review of the use of the Master Promissory Note (MPN) and the student's obligation to repay the loan
- Explanation of the student's responsibility to repay the loan even if the student did not complete the program, did not complete the program within the regular completion time for that program, is unable to obtain employment, or is dissatisfied with the education received
- Explanation regarding the consequences of default, including adverse credit reports, federal offset, other federal delinquent debt collection procedures and litigation under federal law
- Effects of loan consolidation, including the effect on total interest and fees to be paid, length of the repayment term, effect on borrower benefits on underlying loans (grace periods, deferment, loan forgiveness, and loan discharge), option to prepay or change repayment plans, and how borrower benefits may differ between lenders
- Explanation of the tax benefits available to the student
- Information concerning the National Student Loan Data System (NSLDS) and how the student can utilize NSLDS to access his or her records
- Information regarding the availability of the Student Loan Ombudsman's Office

In addition, the Financial Aid Office is responsible to collect the following information as part of the exit counseling and provide the information to the Secretary of Education within 60 days of receipt:

- Name
- Address
- Social Security Number
- References
- Driver's License Number and State
- Expected Permanent Address
- Name and address of next-of-kin
- Name and address of the student's employer or expected employer

Loan Deferments for Borrowers

Students should visit the Financial Aid office for the terms and conditions under which students receiving federal education loans may obtain a deferment for repaying student loan debt.

Loan Deferments for Certain Individuals

Loan deferment terms and conditions are further defined for those serving in the Peace Corps; under the Domestic Volunteer Service Act; and as a volunteer for a tax-exempt organization of demonstrated effectiveness in the field of community service. These individuals should visit the Financial Aid office for additional information.

NATIONAL STUDENT LOAN DATA SYSTEM

National Student Loan Data System (NSLDS) is the U.S. Department of Education's (ED's) central database for student aid. Student financial aid information is submitted to the NSLDS. NSLDS receives data from schools, guaranty agencies, the Direct Loan program, the Pell Grant program, and other ED programs. NSLDS Student Access provides centralized, integrated view of Federal Student Aid Loans and grants so that recipients of funds from these programs can access and inquire about the Federal Student Aid loans and/or Grant data. Once the data is reported to NSLDS, this site and all information contained within is accessible to Financial Aid Administrators, Guaranty Agencies, and students. All users must sign-in and be an authorized user. To access the site, visit www.nsls.ed.gov.

FEDERAL STUDENT AID OMBUDSMAN NOTIFICATION

Student should contact the Financial Aid Administrator at the institution who is always ready to assist with any questions or concerns regarding Federal Family Education Subsidized or Unsubsidized Loans.

If a situation exists that a Financial Aid Administrator cannot resolve, students should follow procedures in the school catalog regarding "problem resolution".

In addition, the U.S. Department of Education's Office of the Ombudsman for student loan issues is available. The ombudsman resolves disputes from a neutral and independent viewpoint. The Office of Student Financial Assistance Ombudsman will informally research borrowers issues and suggest solutions to resolve. Student borrowers can contact the Office of the Ombudsman by:

Via Email: fsaombudsman@ed.gov

Via Online Assistance: www.ombudsman.ed.gov

Via Toll-Free Telephone: 1.877.557.2575

Via Fax: 1.202.275.0549

Via Mail: U.S. Department of Education, FSA Ombudsman, 830 First Street N.E., Washington, D.C. 20202

CONSUMER INFORMATION FROM THE U.S. DEPARTMENT OF EDUCATION (ED)

The U.S. Department of Education has various websites available to students and financial aid staff that provide information regarding the regulations, requirements, and application for Federal Student Aid. There is *no* user fee for using ED Financial Aid sites.

U.S. Department of Education: www.ed.gov

Applying for Federal Student Aid: www.fafsa.ed.gov

Information for Students: www.studentaid.ed.gov, and www.college.gov.

Information for Financial Aid Professionals and Schools: www.ifap.ed.gov, and www.fsa4schools.ed.gov.

INDIRECT STUDENT EXPENSES- DETROIT AND DEARBORN SCHOOLS ONLY

Student Estimated Living Expenses

2011-12 Academic Year

The following estimated student budget* amounts are provided for your use in estimating the total cost of your school attendance. These amounts are "indirect" expenses that you will incur whether or not you attend school. These amounts are estimates. Your cost may vary.

<u>Allowance</u>	<u>With Parents</u>	<u>Off Campus</u>
Room and Board, Per Month:	\$368	\$617
Transportation, Per Month:	\$236	\$236
Personal Expenses, Per Month:	\$244	\$460
Child/Dependent Care	Reasonable expenses with adequate documentation provided by the student depending upon age and number of children.	
TOTAL, excluding allowances based on actual institutional charges, Per Month:	\$848	\$1313

* Budget figures derived from Collegeboard.com 11/12