

**GENE JUAREZ**  

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**ACADEMY**

**STUDENT FINANCIAL AID  
CONSUMER INFORMATION**

**2019 – 2020**

MOUNTLAKE TERRACE CAMPUS  
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MOUNTLAKE TERRACE, WA 98043  
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## **STUDENT FINANCIAL AID CONSUMER INFORMATION**

### **FINANCIAL SERVICES HOURS:**

**9:00 AM to 5:00 PM**

**Monday through Friday**

**Saturday by Appointment**

### ***INTRODUCTION***

The Federal and State Financial Aid Programs offer assistance to those students who qualify. The Gene Juarez Academy recommends that all students apply. Many students will be eligible and must apply to determine their eligibility. Financial Assistance consists of grants and/or loans. Each program has its own rules and regulations and the Financial Services staff is here to help you.

*This consumer information is designed to be supplemented by information from the US Department of Education which can be found at <https://studentaid.ed.gov/sa/>.*

The state of Washington and the federal government offer many financial aid programs and tax benefits to help students and families pay for college. Our WA State legislature calls this:



## **Financial Services Department MISSION STATEMENT**

To assist students with financing their education by:

- Providing students with accurate, timely information about Federal and State Aid for which they are eligible.
- Processing all applications and aid in compliance with State and Federal regulations.

## COMMON FINANCIAL AID ABBREVIATIONS

<b>EFT</b>	Electronic Funds Transfer
<b>FAFSA</b>	Free Application for Federal Student Aid
<b>WASFA</b>	Washington Application for State Financial Aid
<b>ISIR</b>	Institutional Student Information Record
<b>Direct PLUS Loan</b>	Federal Parent Loans for Undergraduate Students
<b>SAR</b>	Student Aid Report
<b>FSEOG</b>	Federal Supplemental Educational Opportunity Grant
<b>USDOE</b>	United States Department of Education
<b>WSAC</b>	Washington Student Achievement Council (WA State)
<b>COA</b>	Cost of Attendance
<b>EFC</b>	Expected Family Contribution

## HOW DO I APPLY FOR FINANCIAL ASSISTANCE?

The initial step is to complete the form for Federal aid called the FAFSA which is done on the web at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). If you are a WA state resident and not eligible for Federal Aid due to your citizenship status, you may be eligible for WA State Grant aid. Your eligibility under this program will be determined by completing the WA State application called the WASFA at [www.readysetgrad.org/WASFA](http://www.readysetgrad.org/WASFA). In addition, you will complete a data sheet which provides additional information about your eligibility for other programs. Your file is complete when all required application materials and supplementary documents are received. Applications are considered and awards are made as funds are available.

## AM I CONSIDERED A DEPENDENT OR INDEPENDENT STUDENT?

Federal Student Aid programs are based on the idea that students' parents have the primary responsibility of paying for their children's education.

You are considered independent if you are one of the following:

- Born before January 1, 1996
- Married
- Have legal dependents other than spouse
- An orphan or ward of the court
- A veteran

There are additional categories of students who are considered Independent. Please see your Financial Services Representative and [www.fafsa.ed.gov](http://www.fafsa.ed.gov) for additional information.

## HOW IS MY FINANCIAL AID ELIGIBILITY DETERMINED?

The school uses the U. S. Department of Education Federal Need Analysis Methodology and your need is analyzed according to pre-established student budgets. Your income, net assets, dependency status, etc. are all considered to determine an "Expected Family Contribution" (EFC), which is the amount you and your family can reasonably be expected to contribute to your educational costs. This figure is subtracted from the appropriate "Student Budget", resulting in your "Need".

## CRITERIA FOR SELECTING RECIPIENTS

Since applicants enroll on a continuing basis, they are funded when eligible and when funds are available. If several applicants should enroll at the same time and there are insufficient funds, those with the greatest need are funded first. Initial funding is based on exceptional need, with priority to receive FSEOG given to Pell Grant students.

## HOW IS MY FINANCIAL AID AWARD DETERMINED?

The school determines your eligibility for all programs available to our students based on your need and the availability of funds. Each student's award is unique based on their eligibility and may include loans, grants or both.

A Financial Aid Estimated Award Letter will be provided to you with a payment schedule. If there are special circumstances, they will be explained at this time. You can accept or decline by signing and returning the notice to the school.

## WHAT TYPES OF AID MIGHT BE AVAILABLE?

### FEDERAL AID

By filling out the FAFSA and data sheet, you will be evaluated for the following programs:

#### Federal Pell Grant

A Federal Pell Grant, unlike a loan, does not have to be paid back. Only students who have not earned a bachelor's or professional degree and are financially eligible can receive Pell. This program has a life-time limit of 6 years.

#### Federal SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT (FSEOG)

A Federal Supplemental Educational Opportunity Grant is for undergraduates with exceptional financial need. FSEOG does not have to be repaid.

#### Direct Loan - Student Loan Program

This program requires a separate application which you can access via the Direct Loan Website at <https://studentloans.gov>. Direct loan repayment begins 6 months after you leave school or drop below half time. Subsidized Direct Loans do not accrue interest while in school or during your 6-month grace period. If you have an unsubsidized Direct Loan, your loan will accrue interest during the time you are in school and during the 6-month grace period. You may choose to pay the interest while in school and during the 6-month grace period or add the interest to the loan. For loans first disbursed between 7/1/19 and 6/30/20, the interest rate is fixed at 4.53% for subsidized loans and unsubsidized loans with a loan fee of 1.062% until October 1, 2019 and 1.059% thereafter. The following is a sample repayment plan for a borrower of an unsubsidized loan who makes their interest payments while in school so that the amount due does not increase prior to entering repayment. Your loan amount and interest rate may be higher or lower based on your plan.

To calculate a different loan amount or repayment period, you might want to try the calculator at <https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action>.

Principal	Interest Rate	Years	Monthly Payment	Total Payments	Finance Charges
\$ 3,596	4.53%	10	\$ 50	\$ 4,462	\$ 866
\$ 6,211	4.53%	10	\$ 64	\$ 7,706	\$1,495
\$ 10,555	4.53%	10	\$109	\$ 13,096	\$ 2,541
\$ 17,666	4.53%	10	\$183	\$ 21,918	\$ 4,252

Direct Loan recipients may obtain a deferment (up to three years) while a volunteer under the Peace Corps Act and Domestic Volunteer Act of 1973 (Action program) if the borrower agrees to serve for a least one year. Direct Loan recipients may also obtain a deferment (up to three years) for service as a full-time volunteer (for a tax-exempt organization) that is comparable to service as a Peace Corps or Action volunteer. See the Department of Education's Student Guide for other conditions of deferment.

Subsidized student loans are only available for 150% of the course length of the program you are entering for students with loans first disbursed 7/1/13 or later with no student loan balance at the time the loan is originated. For more details, see pages 10-13 of this packet.

**Direct Loans for Parents of Undergraduate Student (PLUS)**

The PLUS program provides loans to parents of dependent undergraduate students. PLUS loans are available through the Federal Direct Student Loan Program under which loans are obtained from the federal government.

The repayment period begins on the day of the last disbursement of the loan proceeds. Parents may be eligible for deferment of principal. For loans first disbursed between 7/1/19 and 6/30/20, the interest rate is fixed at 7.08% and the current loan fee is 4.248% until October 1, 2019 and 4.236% thereafter. PLUS requires a credit approval and separate application which is available on-line at <https://studentloans.gov>. To calculate a different loan amount or repayment period, you might want to try the calculator at <http://studentaid.ed.gov/repaying>. Here is a sample PLUS repayment plan:

Principal	Interest Rate	Years	Monthly Payment	Total Payments	Finance Charges
\$ 5,000	7.08%	10	\$ 58	\$ 6,950	\$1,950
\$ 10,000	7.08%	10	\$ 116	\$ 13,901	\$3,901

**Federal Perkins Loans**

These loans are not available while attending our academy. However, under certain conditions you may defer (postpone) repayment of existing Federal Perkins Loans while a full time student. See the Financial Services Representative for information.

**Veteran's Educational Benefits**

Veteran's Benefits are based on the either the student's military service, or military service of the student's parent/guardian/spouse. If you think you may qualify for VA benefits you may contact the Veteran's Administration at 1-888-442-4551. Submit your Certificate of Eligibility and all prior college transcripts to the Financial Services office.

**WASHINGTON STATE AID**

**College Bound Scholarship**

This program is designed for students graduating from a WA State High school in 2012 or later who signed a pledge to be "College Bound" while in middle school. They must graduate with a minimum of a 2.0 grade point and their family income must meet specific income criteria. This scholarship is combined with other WA State aid up to a yearly award of \$4,608 based on need.

### **Washington College Grant (formally State Need Grant)**

This program is designed to assist students with educational costs. Funds are limited and are awarded based on need, and on a first come-first serve basis. Independent students must be WA state residents and dependent student's parents must be WA state residents for one year prior to the start of classes. Students may not owe a refund on any state or federal programs, be in Satisfactory Progress, and demonstrate the appropriate level of need for the 2019-2020 award year. For specifics, see your Financial Services Representative. This Consumer Information packet contains the Conditions of Award for the 2019-2020 award year; an eligible student must agree to these conditions to receive funds.

### **Washington State Aid – Conditions of Award**

The State of Washington is offering you financial assistance to help support your educational expenses. Please visit [www.opportunitypathways.wa.gov](http://www.opportunitypathways.wa.gov) to receive more information about financial aid, scholarships, work study, and student loans.

By accepting state financial aid, you agree to the conditions listed below. If you have questions or find that you cannot comply with these conditions, please contact your institution's financial aid office.

1. You must meet the requirements for Washington State residency.
2. You do not owe a repayment to any federal or state grant or scholarship nor are you in default on a state or federal student loan.
3. You must be enrolled in an eligible program and not be pursuing a degree in theology.
4. If you hold a bachelor's degree or the foreign equivalent, or in some circumstances if you are pursuing a second associate degree within five years of earning an associate degree, you are not eligible to receive state grant funds.
5. If you do not attend or if you withdraw from your classes, you may owe a repayment of all or part of any state funds you have received.
6. You must maintain the academic progress standards established by your institution in order to receive additional state aid.
7. There could be other circumstances that would require a repayment or reduction in your current award amounts.
8. You must meet all eligibility requirements for the state aid program(s) awarded.
9. The offer of this financial assistance is subject to, and conditioned upon, the availability of funds. Washington Student Achievement Council (WSAC) and the institution through which the grant, scholarship, or work study is awarded, reserve the right to withdraw, reduce, or modify the awards due to funding limitations or due to changes in circumstances which affect your eligibility for the program(s).

You may choose to voluntarily make financial contributions to WSAC in recognition of the assistance that you received. All voluntary contributions will be used to provide financial assistance to other students. Please contact [finaid@wsac.wa.gov](mailto:finaid@wsac.wa.gov) for more information.

### **Opportunity Grant**

This program has very limited funds and is available to needy students with dependent children. Students must have not completed post-secondary education and be WA State residents for at least one year prior to starting school. Students must demonstrate need for the 2019-2020 award year. This program is intended to relieve some of the financial burden of being a student and financially assists the student to complete school. Students who meet the screening criteria will be given an application that will be reviewed by the Opportunity Grant Committee. The funds are awarded based on the above criteria by class start and will be credited toward tuition charges. If funds remain after all eligible students have been evaluated, without dependents may be considered. Once all funds have been awarded for the year, no additional applications will be distributed.

### **Worker Retraining Program**

This program is for students that are eligible for unemployment benefits or are unemployed and have exhausted their unemployment benefits within the last 24 months, received a layoff notice or are a displaced homemaker. Additional categories of students who are working but considered vulnerable workers and those are working in stop gap employment as well as unemployed veterans and active duty military have been added. For an application and additional criteria, see your Financial Services Representative.

### **Other State Aid**

For information on any additional State Aid, obtain the address and telephone number of your State Agency by calling 1-800-433-3243. Visit [www.theWashBoard.org](http://www.theWashBoard.org) to explore other scholarship opportunities.

## **Institutional Scholarships**

Gene Juarez Academy does not discriminate; institutional scholarships are available to all that meet the requirements of each individual scholarship. All prospective students are screened for institutional scholarships during their financial services packaging appointment. The prospective student must meet all acceptance and enrollment criteria. The prospective student, once enrolled, is subject to all policies and standards set by the school. A Gene Juarez Academy Financial Services Representative will meet with all recipients of any Gene Juarez Academy institutional scholarship to review the following award provisions:

- In order to qualify for receipt of scholarship money, the student must complete at least 900 hours for cosmetology and 300 hours for manicuring and maintain satisfactory academic progress.
- If a candidate is dismissed or withdraws, for any reason, prior to reaching 900 hours for cosmetology and 300 hours for manicuring, all GJA scholarship money is forfeited and the minimum withdrawal and settlement policy will be based on the full program tuition.
- Agree to allow their name to be published along with the amounts of scholarships funded by the Gene Juarez Academy or they may choose to opt out of the agreement to publish scholarship information by submitting a request in writing to the Campus Director.

Scholarship recipients acknowledge their understanding of the award provisions by signing the Gene Juarez Award Scholarship document. Requirements and award amounts for Gene Juarez Academy Institutional Scholarships are subject to change. Institutional scholarships are funded by Gene Juarez Academy.

### **High School Scholarship**

Gene Juarez Academy awards \$1,000 per Cosmetology applicant and \$500 per Manicuring applicant through our high school scholarship. This scholarship is open to all graduating high school seniors in current calendar year.

Please note the following requirements:

1. Must graduate from high school in current calendar year.
2. Complete the online scholarship application by June 15 of current calendar year.
3. Complete a personal interview with a Gene Juarez Academy Admissions Representative.
4. Meet all admission requirements and be accepted to Gene Juarez Academy.
5. Begin classes at Gene Juarez Academy by September of current calendar year.

Application is online at [www.genejuarezacademy.edu](http://www.genejuarezacademy.edu).

### **Alumni Family Legacy Scholarship**

Gene Juarez Academy will provide \$2,000.00 in cosmetology tuition assistance or \$500.00 in manicuring tuition assistance for alumni and the immediate family of alumni of the Gene Juarez Academy under the following guidelines.

- The alumni must have graduated from either the manicuring or cosmetology in satisfactory progress and paid in full.
- Family members are defined as: mother/father, husband/wife, brother/sister, son/daughter.
- May not combine this scholarship with the GJ Family or GJ Employee Scholarships.

### **Gene Juarez Employee Scholarship**

Gene Juarez Academy will provide \$2,500.00 in cosmetology tuition assistance or \$500 in manicuring tuition assistance for current employees under the following guidelines.

- To qualify for tuition assistance the employee must be a current employee, in good standing (performance and attendance) and have been employed for a minimum of six months.
- The employee and their manager will need to complete the employee scholarship form.
- May not combine this scholarship with the Alumni Family Legacy or GJ Family Scholarships.

### **Gene Juarez Family Scholarship**

Gene Juarez Academy will provide \$2,500.00 in cosmetology tuition assistance or \$500 in manicuring tuition assistance for immediate family members of current employees under the following guidelines.

- To qualify for tuition assistance, the employee must be a current employee, in good standing (performance and attendance) and have been employed for a minimum of six months prior to the prospective student's start date.
- The employee and their manager will need to complete the employee scholarship form.
- Family members are defined as: mother/father, husband/wife, brother/sister, son/daughter.
- May not combine this scholarship with the Alumni Family Legacy or GJ Employee Scholarships.

### **Other Institutional Scholarships**

Gene Juarez Academy will notify students and prospective students about other scholarship opportunities as they arise. These communications will be made via our website, school announcements, text messaging, email or other sources.



## EDUCATION TAX CREDITS

The Gene Juarez Academy is an eligible institution of higher learning recognized by the US Dept of Education. Yearly, the Academy will distribute a 1098T form notifying our students of the qualified tuition and fees paid during the prior year. Please see the IRS website at [www.irs.gov](http://www.irs.gov); and search for IRS Publication 970 for detailed information regarding education tax credits.

### WHAT ARE SOME OF MY RESPONSIBILITIES AS A FINANCIAL AID RECIPIENT?

- **Statement of Educational Purpose/Certification Statement on Refunds and Default**  
By signing it, you are stating that you do not owe a refund on a Pell Grant or FSEOG and you are not in default on Perkins Loan, Stafford Loan, or PLUS loan. You are also agreeing to use your student aid only for education related expenses.
- **Statement of Registration Status**  
If you are required to register with the Selective Service, you must sign a statement indicating you have done so before you can receive any Federal student aid.
- **Over-awards**  
Failure to report other financial assistance may cause you to be over-awarded; i.e. resources exceeding need or cost of attendance (COA). You may have to repay a portion or all of your financial aid.

For more information see the Federal Student Guide.

### PAYMENT PROCEDURE

Part of your financial aid award may be applied for tuition and books/supplies. The checks (or EFT funds) are made out to the school and credited to your school account. If part of your award is for living expenses, you will receive checks made out to you. Your Financial Aid disbursement schedule lists your payments and estimated payment date ranges. Most funding arrives based on the amount of hours earned and varies by program. Although the Financial Services team can help estimate dates based on your attendance, they cannot guarantee when the funds will arrive. As a student, you agree to keep an active email account and to check it regularly. If a financial aid check is owed to you, you will be notified via email that it is available for pick-up in the administrative office. You must be clocked in and receiving hours at the time you pick-up a check.

### IMPORTANT NOTICE TO STUDENTS!!!

During your training, it is a US Dept. of Education requirement that certain types of aid be paid directly to you. If this is part of your plan, you will be given the funds via check. If you still owe tuition, you must make the tuition payment within 7 days of receiving the funds. Should you choose to cash the check at our bank but do not have an account there, the bank will charge a per check fee. If you lose a check written to you from the Gene Juarez Academy, there will be a \$25.00 replacement fee.

If you have a signed payment arrangement with Gene Juarez Academy and do not make the payments, you may be suspended and eventually dismissed from school for non-payment. Non-active student accounts with balances are transferred to TFC Credit Corporation for servicing (8% interest added).

## **VERIFICATION**

Your application may be selected for review in a process called "verification". You may then be required to submit signed copies of your (your spouse's, your parent's) financial documents and/or other forms to the school within a specified time period. For further information, see the Financial Services Representative.

## **SATISFACTORY ACADEMIC PROGRESS**

Students must maintain satisfactory academic progress to be eligible for aid. The policy is in the school catalog.

## **CONFIRMATION OF ELIGIBLE NON-CITIZEN STATUS**

Financial aid applicants reporting non-citizen status will be processed through an electronic match between the Department of Education and USCIS (U.S. Citizenship and Immigration Services) in order to confirm their non-citizen eligibility. If a match is not achieved, the student will be required to submit copies of eligible non-citizen documents to the school within 30 days of receipt of the ISIR so that they may be forwarded on to USCIS for secondary confirmation. Students will not be eligible for aid until eligible status is confirmed. For further information, see your Financial Services Representative.

## **SCHOOL REFUND POLICY**

The student has the right to withdraw at any time. If a student wishes to withdraw, a signed dated withdrawal notice indicating the date of withdrawal should be delivered to the school. Once the student is determined to have withdrawn, the school will calculate and remit any applicable refund. If the student does not notify the school of their intention to withdraw, the school will use its unofficial withdrawal procedure to determine a withdrawal date.

Federal regulations require a return to Title IV refund calculation for any Title IV financial aid recipient who withdraws. Under the Return to Title IV calculation, the institution is allowed to retain only the portion of the tuition, fees and any other charges assessed the student by the institution equal to the portion of the period of enrollment for which the student has been charged.

The repayment policy for State Grant Aid is dependent on the hours scheduled at the point of withdrawal out of a 300 hour payment period. If the student's last date of attendance is after the 15th scheduled school day, no repayment is due. If the student withdraws on the 15<sup>th</sup> scheduled day or earlier, a repayment to the WSAC is due; they are notified within 10 business days from the student's withdrawal.

To determine the earned portion, divide the scheduled days by the date of withdrawal by days in the payment period (30). Subtract from 100% to determine the unearned amount. The student owes 50% of the unearned amount unless the amount is \$50.00 or less in which case no refund is due. If a student does not attend classes, the full award will be returned to the WSAC. The State Grant Aid repayment policy is calculated separately and must be made regardless of other refunds.

The school refund policy is listed in the school catalog and on the Enrollment Agreement. Samples of all refund calculations can be obtained from the Financial Services office.

Payback to financial aid programs will be made in the following order:

1. Unsubsidized Federal Direct Loan
2. Subsidized Federal Direct Loan
3. Federal Direct PLUS Loan
4. Federal PELL Grant
5. Federal SEOG Grant
6. Other Title IV Grant or Loan Assistance Programs
7. Other sources of aid
8. Student

### **STUDENT REPAYMENT POLICY**

The student must repay disbursements of Federal Pell, FSEOG, WA State Grant aid, and other Grant funds, made directly to the student for living expenses not yet incurred at the time of withdrawal. The student is only allowed to retain the portion of the living expenses (room and board, miscellaneous, transportation) allotted to the student equal to the portion of the period of enrollment that has been completed by the student on the last day of attendance.

### **STUDENTS WITH DISABILITIES**

The procedure to request special accommodations for disabled students can be found in the school catalog.

### **ACCREDITATION AND LICENSING**

Information regarding agencies and associations, which license and accredit the school are available for review in the school business office and are in the school catalog.

### **EMPLOYMENT STATISTICS**

Employment statistics are available from the Admissions Advisors.

### **DRUG AND ALCOHOL ABUSE PREVENTION PROGRAM**

This school participates in a Drug Prevention Program which has standards of conduct that prohibit the unlawful possession, use or distribution of illegal drugs and alcohol by students and employees on the property or as part of any of its activities. Violation of standards of conduct will result in disciplinary sanctions, up to and including expulsion or termination of employment and referral for prosecution of students and employees. Information regarding drug and alcohol abuse programs available to all students and staff may be obtained from the Campus Directors and Admissions Representatives. A copy is also available on the Student Resource Board.

### **GED PROGRAM**

Information regarding a program that assists students in obtaining a GED (certificate of high school equivalency) is available from our Admissions Advisors.

### **CRIME AWARENESS AND CAMPUS SECURITY PROGRAM**

This institution prepares, publishes and distributes information regarding its Crime Awareness and Campus Security Program to all current students and employees and to any applicant for enrollment or employment upon request.

## REFERRALS FOR FRAUD AND CRIMINAL ACTIVITY

If the institution has any information indicating that an applicant for Title IV program assistance may have engaged in fraud or other criminal misconduct in connection with his or her application, it must be referred to the Office of Inspector General of the Department of Education or if more appropriate, to a State or local law enforcement agency with jurisdiction to investigate the matter. In addition, the institution is required to report to the Office of Inspector General for each calendar year all referrals made to the State or local law enforcement agencies under this paragraph for that calendar year.

### 2019-2020 BUDGETS COSMETOLOGY PROGRAM 13 MONTHS

	Students Not Living with a Parent	Students Living with a Parent	Students with Dependents
<b>ROOM &amp; BOARD</b>	\$16,250	\$3,250	\$16,250
<b>EXPENSES</b>	\$3,250	\$2,600	\$3,250
<b>TRANSPORTATION</b>	\$4,550	\$2,990	\$4,550
<b>TOTAL*</b>	<b>\$24,050</b>	<b>\$8,840</b>	<b>\$24,050</b>

### MANICURING PROGRAM 4 MONTHS

	Students Not Living with a Parent	Students Living with a Parent	Students with Dependents
<b>ROOM &amp; BOARD</b>	\$5,000	\$1,000	\$5,000
<b>EXPENSES</b>	\$1,000	\$800	\$1,000
<b>TRANSPORTATION</b>	\$1,400	\$920	\$1,400
<b>TOTAL*</b>	<b>\$7,400</b>	<b>\$2,720</b>	<b>\$7,400</b>

\*Total does not include any applicable lender's fees, or other costs, see the Financial Aid office.

**The cost of attendance (COA) includes tuition, kit and fees plus estimated average living expenses or budget (above). Tuition and fees are subject to change during the year and are published in the Catalog. The expected family contribution (EFC) is determined by the FAFSA based on family size, income, assets and other factors. Should you take longer to complete the program due to poor attendance, your cost of living will be higher. Financial Need –Shortfall between the COA and the EFC. Students with need may qualify for Subsidized Loans and/or grant programs.**

**Cost of Attendance – Expected Family Contribution = Financial Need**

## Time Limitation on Direct Subsidized Loan Eligibility for First-Time Borrowers on or after July 1, 2013

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### Maximum eligibility period to receive Direct Subsidized Loans

There is a limit on the maximum period of time (measured in academic years) that you can receive Direct Subsidized Loans. In general, you may not receive Direct Subsidized Loans for more than 150% of the published length of your program. This is called your “maximum eligibility period”. You can usually find the published length of any program of study in your school’s catalog.

***For example, if you are enrolled in a 4-year bachelor’s degree program, the maximum period for which you can receive Direct Subsidized Loans is 6 years (150% of 4 years = 6 years). If you are enrolled in a 2-year associate degree program, the maximum period for which you can receive Direct Subsidized Loans is 3 years (150% of 2 years = 3 years).***

Your maximum eligibility period is based on the published length of your current program. This means that your maximum eligibility period can change if you change programs. Also, if you receive Direct Subsidized Loans for one program and then change to another program, the Direct Subsidized Loans you received for the earlier program will generally count against your new maximum eligibility period.

### Periods that count against your maximum eligibility period

The periods of time that count against your maximum eligibility period are periods of enrollment (also known as “loan periods”) for which you received Direct Subsidized Loans.

***For example, if you are a full-time student and you receive a Direct Subsidized Loan that covers the fall and spring semesters (a full academic year), this will count as one year against your maximum eligibility period.***

If you receive a Direct Subsidized Loan for a period of enrollment that is shorter than a full academic year, the period that counts against your maximum usage period will generally be reduced accordingly.

***For example, if you are a full-time student and you receive a Direct Subsidized Loan that covers the fall semester but not the spring semester, this will count as one-half of a year against your maximum eligibility period.***

With one exception, the amount of a Direct Subsidized Loan you receive for a period of enrollment does not affect how much of your maximum eligibility period you have used. That is, even if you receive a Direct Subsidized Loan in an amount that is less than the full annual loan limit, that lesser amount does not reduce the amount of your maximum eligibility period you have used. The one exception applies if you receive the full annual loan limit for a loan period that does not cover the whole academic year. In that case, the loan will count as one year against your maximum eligibility period regardless of your enrollment status (half-time, three-quarter time, or full-time).

### Effect of borrowing while enrolled part-time

If you receive a Direct Subsidized Loan when you are enrolled less than full-time, the period that is counted against your maximum eligibility period will be reduced.

***For example, if you are enrolled half-time and receive a Direct Subsidized Loan for a period of enrollment that covers a full academic year, this will count as only one-half of a year against your maximum eligibility period.***

### Loss of eligibility for additional Direct Subsidized Loans and becoming responsible for paying interest on Direct Subsidized Loans

After you have received Direct Subsidized Loans for your maximum eligibility period, you are no longer eligible to receive additional Direct Subsidized Loans. However, you may continue to receive Direct Unsubsidized Loans.

In addition, if you continue to be enrolled in any undergraduate program after you have received Direct Subsidized Loans for your maximum eligibility period, we will no longer (with certain exceptions) pay the interest that accrues on your Direct Subsidized Loans for periods when we would normally would have done so. The chart below provides examples of these circumstances.

<b>Do I become responsible for paying the interest that accrues on my Direct Subsidized Loans because . . .</b>	<b>Yes</b>	<b>No</b>
I am no longer eligible for Direct Subsidized Loans and I stay enrolled in my current program?	X	
I am no longer eligible for Direct Subsidized Loans, did not graduate from my prior program, and am enrolled in an undergraduate program that is the same length or shorter than my prior program?	X	
I transferred into the shorter program and lost eligibility for Direct Subsidized Loans because I have received Direct Subsidized loans for a period that equals or exceeds my new, lower maximum eligibility period, which is based on the length of the new program?	X	
I was no longer eligible for Direct Subsidized Loans, did not graduate from my prior program, and am enrolled in an undergraduate program that is longer than my prior program?		X
I lose eligibility for Direct Subsidized Loans and immediately withdraw from my program?		X
I graduated from my prior program prior to or upon meeting the 150% limit, and enroll in an undergraduate program that is the same length or shorter than my prior program?		X
I enroll in a graduate or professional program?		X
I enroll in preparatory coursework that I am required to complete to enroll in a graduate or professional program?		X
I enroll in a teacher certification program (where my school does not award an academic credential)?		X

Remember, your maximum eligibility period can change if you enroll in a different program. So, if you received Direct Subsidized Loans for your maximum eligibility period for one program and then enroll in a longer program, you will not become responsible for interest that accrues on your Direct Subsidized Loans.

If you meet any of the conditions on the prior page, you will become responsible for the interest that

accrues on your Direct Subsidized Loans, from the date of your enrollment after meeting the 150% limit, during periods when we would have normally paid the interest for you. Below is a chart that summarizes the periods when we normally pay the interest on your Direct Subsidized Loans, and an explanation and what happens after you become responsible for the interest.

<b>During what period am I responsible for paying the interest on my Direct Subsidized Loans . . .</b>	<b>Before meeting the 150% limit?</b>	<b>After meeting the 150% limit?</b>
While enrolled in school at least half-time	No	Yes
During my grace period on loans first disbursed (paid out) July 1, 2013 through June 30, 2014	Yes	Yes
During my grace period on loans first disbursed (paid out) July 1, 2014 or after	No	Yes
During deferment periods	No	Yes
During certain periods of repayment under the Income-Based Repayment or Pay As You Earn Plan	No	Yes
During forbearance periods	Yes	Yes
During all other periods of repayment	Yes	Yes

If you become responsible for the interest that accrues on your Direct Subsidized Loans, any interest that you do not pay will be capitalized (added to your loan principal balance) at the end of the grace, deferment, or other periods. Capitalized interest increases your loan principal, increases your monthly payment amount under most Direct Loan repayment plans, and causes you to pay more interest over the life of your loan. Your federal loan servicer will notify you if you become responsible for paying the interest on your Direct Subsidized Loans.

### **Regaining eligibility for Direct Subsidized Loans**

If you become ineligible for Direct Subsidized Loans because you have received Direct Subsidized Loans for your maximum eligibility period, you may again become eligible to receive Direct Subsidized Loans if you enroll in a new program that is longer than your previous program.

If you regain eligibility to receive additional Direct Subsidized Loans because you enrolled a program that is longer than your prior program and you previously became responsible for paying all of the interest that accrues on your Direct Subsidized Loans, we will pay the interest that accrues on your new loans during the periods described in the chart above.