

THE UNIVERSITY OF
SCRANTON
A JESUIT UNIVERSITY

2012-2013 ACADEMIC YEAR

GUIDELINES FOR THE FINANCIAL AID PROCESS

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NEW FAFSA VERIFICATION REQUIREMENTS

The U.S. Department of Education is updating the method of having aid applicants verify the information provided on the Free Application for Federal Student Aid (FAFSA) to the colleges they attend. Actual Internal Revenue Service (IRS) 2011 tax transcripts will now be required to be submitted to colleges instead of signed copies of federal tax returns for selected applicants. Applicants may avoid having to obtain IRS tax transcripts by choosing to file the FAFSA online one week after submitting electronic IRS tax returns (5 weeks after submission of paper tax returns) and using the IRS data retrieval option when completing the online FAFSA. Provided the IRS data is available and no changes have to be made to the reported tax data, it will not be necessary to submit an official IRS tax transcript in the event the FAFSA is selected for federal aid verification. We highly recommend all aid applicants and parents of dependent applicants to file their 2011 tax returns to the IRS electronically and use the FAFSA retrieval option to carry over the tax information onto the online FAFSA application. This will not only decrease common errors, but may also eliminate the need to provide additional verification documents. Please note there may be cases where the University may require both the IRS tax transcript and a signed copy of tax returns to complete verification for both federal and University of Scranton aid programs.

CHANGES IN FAMILY FINANCIAL SITUATION

The University provides Special Condition Forms on our web site for students whose family experienced a reduction in income. These forms are used to report reduction in family income for the 2012 calendar year due to death of a parent, separation or divorce of parents, loss of employment earnings or untaxed income reported on the FAFSA. Other unusual circumstances not addressed on our forms may be considered by submitting a signed statement with supporting documentation to the Financial Aid Office.

PRIVATE SCHOOL AND EXCESSIVE MEDICAL EXPENSES

Forms are located on our web site to report 2011 private school expenses paid for applicants' siblings and to report unreimbursed family medical expenses that exceed 10% of total income.

APPLICATION REQUIREMENTS

The FAFSA is required for all federal, Pennsylvania State Grant and University of Scranton need-based aid programs. Federal programs include the Direct Stafford Loan, Federal Work Study, Perkins Loan, TEACH Grant, Pell Grant and SEOG Grant. If you filed a

FAFSA for the 2011-2012 academic year, you will receive an e-mail from the U.S. Department of Education reminding you to re-apply for the 2012-2013 school year. The preferred method of completing the FAFSA is online via www.fafsa.gov. You may download a FAFSA on the web worksheet from the website; make certain to use the 2012-2013 worksheets. Copies of the FAFSA on the web worksheets are available in the Financial Aid Office, located in St. Thomas Hall, Room 401.

FINANCIAL AID DEADLINE ALERT

The renewal FAFSA application deadline is April 15, 2012 for the fall term. All students receiving University of Scranton grants and federal campus-based funding must have a completed FAFSA filed by this date. While it is best to have final tax information available when completing the FAFSA, you may use estimated information in absence of final data. For the 2012-2013 academic year, the Financial Aid Office will strictly adhere to the application deadline and request for additional documentation. Students not complying with the application deadline will not be given full consideration for need-based University grants and federal campus-based programs that include Federal Work Study, Federal SEOG and Federal Perkins Loans. Students missing deadline requirements may submit a written appeal and list any unusual circumstances that may have prevented them from meeting application requirements within the deadlines.

WHAT TO EXPECT AFTER FILING

If you listed your e-mail address on the FAFSA, an e-mail notification providing you with a link to your Student Aid Report (SAR) will be sent to you. If you file a paper FAFSA and do not provide an e-mail address, a paper SAR will be sent to the address listed.

The Financial Aid Office will generate an email to you indicating that the FAFSA is received and if any documents will need to be submitted to the office.

Beginning in June, you will receive an e-mail providing you with the link allowing you to review your aid eligibility. You may also check on your status by checking Self Service (UIS).

Eligibility for need-based aid programs is determined using the information supplied on the FAFSA. If your family's financial situation has changed significantly from the prior year, your need-based aid, including University of Scranton award(s) may increase or decrease. In addition, award amounts are also influenced by your choice of housing. **Students who change from University owned housing to off-campus or commuter housing will have their need-based aid eligibility determined using a lower cost of attendance budget. Reductions in University of Scranton awards range from \$1,800-\$3,000 for the academic year.**

FINANCIAL AID CHECKLIST

The following checklist is provided to assist you in the application process:

- ☐ FAFSA worksheet at www.fafsa.gov
- ☐ Parents' and students' 2011 federal tax returns.
- ☐ W-2 forms and any other earnings statements. Review Box 12 of the W-2, for untaxed pension contributions.
- ☐ Current bank, stock and investment statement(s) for parent(s) and student.
- ☐ Value of real estate. Do not include primary residence.
- ☐ Value of any business assets. Do not include net value of family owned business with less than 100 employees.
- ☐ Value of any S corporations or investment farms.
- ☐ 2011 medical/dental bills paid and not reimbursed by insurance.
- ☐ 2011 tuition paid to private elementary or secondary schools for applicant's **siblings**.

COMMON APPLICATION ERRORS

- ✓ Using an incorrect student Social Security number.
- ✓ Reporting name incorrectly. (Use official name on SS card.)
- ✓ Reporting cents. Round all figures to nearest dollar.
- ✓ Misreporting the amount of federal tax paid. Report tax **paid**, not tax withheld.
- ✓ Neglecting to report all applicant's assets.
- ✓ Misrepresenting parents marital status.
- ✓ Misreporting the number of people in the family household for the academic year.
- ✓ Misreporting the number of dependent household members that will actually be enrolled for the academic year.

THIRD PARTY ACCESS TO FINANCIAL AID AND BILLING INFORMATION

You will be able to grant access to selected personal information located on the University Information System (UIS) to parents, spouses, or other third parties. This capability is being offered to allow your educational partners to view and have access to information that otherwise is protected from release by the University in accordance with the Family Educational Rights and Privacy Act (FERPA). You may authorize access to financial records located in the Bursar and Financial Aid sections of UIS. This would include student account balances, payment history, financial aid award notifications, and current financial aid award statuses. You control access to specific areas and will be able to add or rescind authorization. A third party access authorization will need to be granted to any person you wish to have electronic access to designated UIS records, as well as to allow University personnel to discuss your billing and financial aid information with third parties over the telephone. Please visit the Student Tab of my.scranton.edu to grant authorization.

WORK STUDY PROGRAM

To be considered for the Federal Work Study program, students must file the FAFSA and indicate their interest in the program. Students should also complete a Work Study application via the my.scranton.edu portal.

Students employed in the 2012 spring semester will be able to complete the online work study application prior to the end of the semester. As the applicants' 2012-2013 financial aid requirements are met, their aid eligibility, including eligibility for the Work Study program, will be evaluated. Students who are eligible to return to their previous work study position(s) and who have been requested to return by the employing department will have work study placement notifications issued to their department supervisors.

Students not currently employed but who wish to apply for a work study position for 2012-2013 must complete a work study application online.

PLEASE NOTE: *Employment may not begin until:*

- *I-9/W-4 forms are completed by student employed first time in work study (proper identification must be presented to Financial Aid Office)*
- *Electronic Placement Notification is sent to the supervisor*

Financing Your Education ECSE Payment Plan

ECSE provides a monthly installment payment plan that allows families to spread payments over a 10 to 12 month period. This eliminates the need to make lump sum payments prior to the beginning of each semester. Families can budget an amount not to exceed total yearly charges less any aid that will be received. No interest is charged to participate in the plan. The enrollment fee will be \$60.00. Please visit our www.scranton.edu/financialaid, under Loans and Financing options for more information

Direct Stafford Loan Program

The Direct Stafford Loan allows students to borrow in their own name and requires no credit evaluation. A Free Application for Federal Student Aid (FAFSA) is required for all loan applicants. The U.S. Department of Education is the lender. There are two types of Stafford Loans: Subsidized (Undergraduates only) and Unsubsidized Stafford Loans. Eligibility for interest subsidy is based on demonstrated financial need as determined by the FAFSA. The federal government makes interest payments while in school. New Subsidized Stafford Loans made from July 1, 2012 - June 30, 2014 will accrue interest during the grace period. For the Unsubsidized Stafford Loans, the student can make interest payments while in school and during grace periods, or the interest will be added on to the amount borrowed and repaid with principal after the grace period ends. Repayment of principal is deferred while the student is enrolled. Repayment begins six months after the student has completed his/her program of study. Any new borrower will be required to complete an electronic Federal Direct Stafford Loan Application/ Master Promissory Note (MPN) and must complete online Entrance Counseling. Please visit www.scranton.edu/financialaid, under Loans and Financing Options for more information.

Direct PLUS Loans for Parent and Graduate Students

Direct PLUS Loans are available to credit worthy parents of dependent undergraduate students and credit worthy graduate students. Loans may be borrowed to cover the difference between a student's cost of education less all other aid the student is receiving. The U.S. Department of Education is the lender and a FAFSA must be filed by the student. Graduate students are required to first utilize the Direct Stafford Loan prior to borrowing under the PLUS Loan.

Annual Borrowing Limits Based on Grade Level

	Subsidized Stafford	Unsubsidized Stafford- Dependent Students	Total Stafford- Dependent Students	Unsubsidized Stafford- Independent Students	Total Stafford- Independent Students
Freshmen	\$3,500	\$2,000	\$5,500	\$4,000	\$9,500
Sophomores	\$4,500	\$2,000	\$6,500	\$4,000	\$10,500
Juniors	\$5,500	\$2,000	\$7,500	\$5,000	\$12,500
Seniors	\$5,500	\$2,000	\$7,500	\$5,000	\$12,500
Graduate Students	NA	NA	NA	\$20,500	*\$20,500

Note: Dependent students whose parents are denied a Parent PLUS Loan may borrow the Independent Unsubsidized Stafford Loan amounts.

*Effective July 1, 2012 Graduate Student Stafford Loans will be entirely unsubsidized.

Repayment of interest and principal begins 60 days after the second disbursement of loan proceeds. Graduate students enrolled on at least half-time basis, will be eligible for an in-school deferment and parent borrowers may request a deferment that allows for a postponement of payments. While in deferment, the borrower will receive interest statements. Paying the interest as it accrues will save you money over the repayment term of the loan.

Application for PLUS loans may be done beginning in June. The loan cannot be applied for more than 90 days before the start of the academic year. All borrowers must complete the Direct PLUS Loan Request. Only new borrowers and loans requiring an endorser will be required to complete an electronic Master Promissory Note. Please visit www.scranton.edu/financialaid, under Loans & Financing Options to apply and obtain additional information.

Manage Your Loan Debt

The debt incurred while completing a college education is an investment in the future. However, you need to carefully consider the decision to borrow money. Determine exactly how much is needed to help finance education costs and apply for only what is needed. Be aware of the loan debt you are incurring. Plan for future years and calculate an estimate of your total student loan debt upon graduation. Use student loan repayment calculators to estimate monthly payments. Keep in mind that you will need to apply for loans on an annual basis. Please visit www.scranton.edu/financialaid, under Loans & Financing Options for more information.

Loan Repayment

Students enrolled before May 2010, will have borrowed loans through the Federal Family Education Loan Program (FFELP). Students enrolled after June 1, 2010, will have borrowed loans through the Federal Direct Loan Program; therefore, students must be aware of multiple lenders. It is recommended that you visit the National Student Loan Data System (NSLDS) Student Access website at www.nslds.ed.gov. NSLDS provides a central database for student aid and allows students access to view information from schools, guaranty agencies, the Direct Loan program, as well as other programs; which is a valuable tool in managing your federal student loan information. You will need your Federal Student Aid PIN to access the website.

There are several repayment plans available that are designed to meet the needs of borrowers. Loan Forgiveness programs are avail-

able for Teacher and Public Service. Consolidation can be an option to combine federal student loans into one single plan and extend repayment. You will need to contact your loan servicer. Please visit www.scranton.edu/financialaid, under Loans & Financing Options for more information.

Alternative Loan Programs

In addition to the Direct Stafford and PLUS Loans, there are other private loan programs available to students and/or families in need of additional funding for educational costs. These programs require a favorable credit rating. The borrower for most programs is typically the student with the parent as a co-signer. **Alternative loans should be applied for in June and be a last option loan.** Please visit www.scranton.edu/financialaid, under Loans & Financing Options for more information.

Royal ePay

Royal ePay is a partnership between the University of Scranton and PNC Bank for direct deposit of refunds and student employment checks. Please visit www.scranton.edu/bursar, under Refund Information or call 1-800-745-7577 for more information.

Helpful Sites

- www.fafsa.gov - Free Application for Federal Student Aid (FAFSA)
- www.pin.ed.gov - Federal Student Aid PIN
Electronically sign the FAFSA, access Federal Student Aid records online, and sign Master Promissory Notes.
- www.fastweb.com - Free Scholarship Search
The largest and most complete scholarship search.
- www.finaid.org - The Smart Student Guide to Financial Aid
A free, comprehensive, independent and objective guide to student financial aid.
- www.studentloans.gov - Direct Loans
View Loan Documents, Complete Entrance Counseling, Sign Master Promissory Notes, Endorse PLUS Loan, Repayment Plans & Calculators, Public Service and Teacher Loan Forgiveness.
- www.nslds.ed.gov - National Student Loan Data System
View all Federal Student and Parent Loans.

Important Dates

April 15, 2012	Deadline for filing financial aid forms for 2012-13.
August 18, 2012	Fall semester payment due date. Reference invoice for actual date.
December 12, 2012	Intersession payment due date. Reference invoice for actual date.
January 13, 2013	Spring semester payment due date. Reference invoice for actual date.

FAFSA AVAILABLE AT WWW.FAFSA.GOV

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