

# A Guide to Your Financial Aid Offer

● Art Center College of Design  
**Financial Aid Office**  
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## **A GUIDE TO YOUR FINANCIAL AID OFFER**

This booklet was designed to serve as a guide to your financial aid offer and to answer your questions about relevant policies and procedures. Art Center is committed to providing financial aid to eligible students and to providing access to our educational programs.

Financial aid at Art Center is based on “need” or financial eligibility as determined from the information you and your family submitted on the Free Application for Federal Student Aid (FAFSA). If you are a U.S. student, and the data you provided indicates you have financial need, you will be sent a financial aid award letter detailing the types of aid available to you.

**International Students.** Most of the financial aid information in this Guide is intended for U.S. students, as it outlines federal and state financial aid programs as well as Art Center’s own aid programs, such as scholarships. International students are not required to complete the FAFSA, and are eligible to be considered for scholarships or private lender loans with a US co-signer.

### **STEP ONE: REVIEW YOUR FINANCIAL AID AWARD LETTER**

When you have been admitted to Art Center and have completed a current FAFSA listing Art Center as a recipient, we access your information to prepare a Financial Aid Award Letter for you. “Award” means an offer of types of aid.

This award letter will show your cost of attendance (COA) or budget, and your estimated awards (scholarships, grants, loans, and work-study) for a projected period of attendance (usually 2-3 semesters at a time). **At Art Center, you can choose to attend for one, two, or three semesters per year, so you will need to estimate your own budget accordingly.**

If you are awarded an Art Center scholarship, you will receive a scholarship notification letter informing you of the amount and conditions of the award in addition to your Financial Aid Award letter.

#### **How Your Financial Aid Award Is Determined**

**1. Estimated Family Contribution (EFC).** Your estimated family contribution (EFC) is calculated through a federally mandated formula from the data you completed on the FAFSA, including income, assets, number in your family, and number in college.

Your EFC appears on the Student Aid Report (SAR) you receive from the federal processor after you complete your FAFSA. The EFC is not the amount you need to pay; it is a formula used by the federal government to establish your need.

**2. Budget and Cost of Attendance.** Art Center sets a yearly budget or cost of attendance which includes: tuition and fees (these are a set cost) and estimates on average amounts you may spend for housing and food (room and board), books and supplies, transportation, miscellaneous expenses, and loan fees associated with federal loans.

- The tuition and fees are the only set costs, and you will be billed for tuition at the beginning of each semester that you attend.

- Your other costs will vary depending on your individual classes and your lifestyle. You will control your own cost of rent, food, and transportation, and should make your own estimates on these items. We have included an average amount in the following budget for the purposes of estimating your need.

Undergraduate Students. Art Center’s budget for undergraduate students for each semester in 2015-16 is as follows:

|                        |               |                                |
|------------------------|---------------|--------------------------------|
| Tuition and Fees       | \$19,615      |                                |
| Room and Board *       | \$6,765       | \$4,342 for living with parent |
| Books and Supplies     | \$2,000       |                                |
| Transportation         | \$1,397       |                                |
| Personal/Miscellaneous | \$1,849       |                                |
| <u>Loan Fees</u>       | <u>\$ 169</u> |                                |

Total Budget per semester \$31,795

For your yearly budget, multiply by the number of semesters you plan to attend in 2015-16.

Graduate students. Art Center’s budget for graduate students for each 2015-16 semester is as above with the exception of tuition and fees which are \$20,716. The total budget per semester for graduate students is \$32,727.

**3. Your Financial Need.** Your financial need or financial aid eligibility, is the difference between the budget/cost of attendance and your Estimated Family Contribution (EFC).

If you do not demonstrate financial need, we cannot offer you a scholarship, need based federal, or state aid. However, you will be offered a non-need based loan.

## **STEP TWO: REVIEW THE AMOUNTS AND TYPES OF AID IN YOUR FINANCIAL AID PACKAGE**

**1. What is a financial aid “package”?** In the world of financial aid, all the types of aid for which you are eligible or are being offered are bundled together in one format called a “financial aid package”. This term refers to all the total types of aid you are receiving, including federal and state programs and scholarships or loans.

- A financial aid package or award usually consists of one or more of the following types of funds: grants, scholarships, student loans, and student employment.
- Art Center awards may consist of Institutional Scholarships, Federal Pell Grants, Federal Supplemental Opportunity Grants(SEOG), Cal Grants, Federal Direct Loans, or Federal Work-Study.

**2. How your “package” of aid is determined.** Your package of aid includes all the forms of aid we can offer and for which you are eligible. Following are some factors.

- Financial Need. Your financial need determined your eligibility for federal and state programs such as the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (SEOG), Federal Work Study, Federal Direct Loans, and Cal Grant. This evaluation included your/your parents’ income and assets, and number in the family.
- Your age and dependency status. For undergraduate students, your age will most likely be the determining factor in your dependency status; however, students who are under 24 may be considered independent based on other factors such as marital status. Independent students qualify for aid based on their own income and assets, which may result in higher aid eligibility.

They are also eligible for higher Direct Unsubsidized Stafford loan amounts than dependent students.

- Prior bachelor's degree. A student with a prior bachelor's degree is not eligible for Pell, SEOG, or the Cal Grant.
- Grade level. Your grade level affects your federal loan amount. Loan amounts normally increase with each progressive grade level.
- Prior federal loan debt. The federal government places cumulative limits on the amount of federal Stafford loans to be borrowed. If you have a significant amount of prior debt, you could run out of eligibility before you complete your degree at Art Center.
- The amount of aid you receive can never exceed the amount of your budget for the same period.

## **STEP THREE: RECEIVING YOUR FINANCIAL AID**

**1. Accepting Your Awards.** If you want to accept all of the financial aid offered to you, you do not need to respond. If you want to decline any of the aid on your award letter, circle the "N" next to the type of aid you want to decline, sign and date the letter, and return it to the Financial Aid Office.

**2. Begin the Loan Process.** To ensure timely disbursement of your Direct Stafford Loans you should take the following steps as early as possible, at least 30 days before your first semester begins.

- Complete a one-time Master Promissory Note (MPN). The electronic MPN may be completed at [www.studentloans.gov](http://www.studentloans.gov).
- If it is your first student loan at Art Center, you must undergo a loan entrance counseling session. To complete the loan entrance counseling requirements, go to [www.studentloans.gov](http://www.studentloans.gov).
- Graduate students should complete separate Master Promissory Loan Notes for Stafford and Graduate PLUS loans and undergo separate loan entrance counseling sessions at the links above.

### **3. Work Study Employment.**

- To use your Federal Work Study award, you need to locate and apply for a position on campus. You will interview for positions, and supervisors will determine whether they have a job available for you. An offer of Federal Work Study does not guarantee that a job will be available.
- Work Study jobs are listed on the internal portion of Art Center's Website called InsideArtCenter. When you arrive at Art Center, you will receive your user name and password, and then can log in to view all available positions listed under Campus Jobs at Student Dashboard on [Inside.ArtCenter.edu](http://Inside.ArtCenter.edu).
- Federal Work Study is awarded for the Fall and Spring terms only. Students may work during the summer in non-work-study positions.

### **4. Final Steps for Receiving your Aid.**

- Respond to requests for documentation. If your application is selected by the federal processor for a process called verification, you will see an asterisk next to your Estimated Family Contribution (EFC) on your Student Aid Report (SAR) and will be instructed to submit documentation to Art Center. At the same time, the Financial Aid Office will receive an electronic copy of your SAR and will send you a request for the documents needed. These are generally copies of your/your parents' IRS tax transcripts for the prior year and will include a verification worksheet.

- Having your aid disbursed. To credit your financial aid funds to your tuition account at Art Center, called “disbursing” your funds, we must have received and reviewed all required documents, and you must be registered for the term for which the aid is disbursed. Funds are generally disbursed equally between semesters and applied to your student account.
- Refunds or overages. If the disbursement of financial aid funds creates a credit balance when applied against your tuition charges bill for the semester, a refund check will be sent to you. If there is a Federal Direct PLUS loan in your parent’s name, the check will be sent to your parent.

## STEP FOUR: DETERMINING YOUR AMOUNT DUE TO THE COLLEGE AND EXPENSES

**1. Your Tuition and Fees.** Your award letter will show how much you are receiving from each source by semester. In some cases, all of your tuition expenses will be covered through financial aid. Some students will need to calculate the proportion of aid against the tuition and fees due.

Below is an example of a financial aid package for one semester for a dependent undergraduate student who has a maximum Pell Grant, met the FSEOG deadline, and has been awarded an Art Center Scholarship of \$5000 per semester.

|                                 |                 |
|---------------------------------|-----------------|
| Art Center Scholarship          | \$ 5,000        |
| Pell Grant                      | 2,865           |
| FSEOG                           | 300             |
| Fed. Direct Stafford Sub. Loan  | 1,750           |
| Fed. Direct Stafford Unsub Loan | 1,000           |
| <u>Federal Work-Study</u>       | <u>500*</u>     |
| Total aid for semester          | \$11,415        |
| <br>                            |                 |
| Tuition and fees                | \$19,615        |
| <u>Minus aid credited</u>       | <u>-10,915*</u> |
| <br>                            |                 |
| Tuition to be paid              | \$ 8,700        |

\* The \$500 Federal Work Study (FWS) allocation is disbursed by paycheck and not credited to the tuition bill, and has been subtracted from the aid credited.

**2. Living Expenses.** The amount you need for living, supplies and transportation will vary greatly based on your lifestyle and other decisions.

- Unlike the tuition and fees, that are set costs, you will control this portion of your expenses. You should estimate your own costs for these expenses and assure that you have a plan for funding them.
- You will only receive financial aid funds toward your living expenses if your financial aid exceeds your costs for tuition and fees and you have a credit on your account. When this occurs, the Accounting Office will mail a check to you for the excess amount. The first refund checks for a semester are mailed out on the second Friday of the semester.

## STEP FIVE: WHAT IF MY AID DOESN’T COVER MY EXPENSES?

As much as Art Center will make every attempt to help make Art Center financially accessible, some students may find that their financial aid will not fully cover their cost of living and tuition expenses. Following are some additional sources of aid.

**Federal Direct Parent PLUS Loans.** Parents or legal guardians of dependent students can apply for an additional loan option called the Federal Direct Parent PLUS Loan.

- The interest rate is fixed and interest begins to accrue upon disbursement. Repayment can be deferred until the student graduates or leaves school. If credit issues prevent approval, the parent may apply with an endorser or the student may qualify for additional Federal Direct Unsubsidized Stafford Loan. The credit decision may be appealed by calling the Federal Direct loan borrower line at 800-557-7394.
- Borrowers can request an amount up to the student's budget minus other financial aid. Dependent students must complete a yearly FAFSA to determine eligibility for other aid before a Parent PLUS Loan can be processed.
- Parent Loan applicants need to complete a PLUS Loan Request Form online at [www.studentloans.gov](http://www.studentloans.gov) specifying the amount they are requesting.
- Parents must also complete a Master Promissory Note (MPN) at [www.studentloans.gov](http://www.studentloans.gov).

**Federal Direct Grad PLUS Loans.** Students can apply for an additional loan option called the Federal Direct Graduate PLUS Loan.

- The interest rate is fixed and interest begins to accrue upon disbursement. Repayment can be deferred until the student graduates or leaves school. If credit issues prevent approval, the student may apply with an endorser. The credit decision may be appealed by calling the Federal Direct loan borrower line at 800-557-7394.
- Students can request an amount up to their budget minus other financial aid awarded and must complete a FAFSA before a Graduate PLUS Loan can be processed.
- Graduate student PLUS Loan applicants must also complete a Grad PLUS Request Form online at [www.studentloans.gov](http://www.studentloans.gov) specifying the amount they are requesting.
- Students must also complete a Master Promissory Note (MPN) at [www.studentloans.gov](http://www.studentloans.gov) before receiving their first loan. This PLUS MPN is in addition to the Direct Stafford Loan MPN.
- First time Grad PLUS borrowers must also complete Graduate entrance counseling at [www.studentloans.gov](http://www.studentloans.gov).

**Private Educational Loans.** These are loans initiated directly by the student with a lender, and unlike the Stafford loans, have varying requirements, interest rates, and terms.

- Educational loans from private lenders, like banks, are a common source for additional aid.
- These loans are not guaranteed by the federal government. They are offered by private lending institutions to help bridge the gap between the cost of education and the amount of financial aid received.
- Lenders require that students have a good credit score and most often will require a co-signer with good credit. Credit unions are now entering the private educational loan area; students who have access to a credit union should check to see if they offer loans.
- In order to compare terms and interest rates and to increase your chances for approval, we recommend that you apply to several lenders at the same time.

- Art Center provides a list of lenders from which students have elected to borrow over the last three years at <https://www.fastproducts.org/choice/ACCD>
- You are not required to use a lender from this list; we will process loans from any eligible lender you select.

**Outside Scholarships.** Many students have successfully located outside private sources of scholarships from foundations, corporations or other organizations. Outside scholarships will be disbursed according to the donor's request.

- Visit [inside.artcenter.edu/go/fa](https://inside.artcenter.edu/go/fa), click on Outside Scholarship Information for a listing of resources. Resources are listed as a service only and are not authenticated by Art Center.

## STEP SIX: READ THESE FINANCIAL AID TERMS AND CONDITIONS

By accepting financial aid funds, you will agree to the following terms and conditions.

- **Changes in your awards.** Art Center reserves the right to revise awards at any time due to changes in funding levels, your enrollment status or residence, your receipt of additional resources including scholarships, information reported to the Financial Aid Office by you or your parents; unintended errors, other reasons consistent with Art Center policy and procedures.
- **Annual FAFSA.** Complete a new FAFSA each January to comply with federal and state deadlines as well as Art Center's requirements. Financial aid is not automatically renewed from year to year. To continue receiving aid, including Art Center scholarships, you must complete a new FAFSA and comply promptly to requests for documentation from the Financial Aid Office.
- A student's eligibility for federal financial aid may be suspended if the student is convicted, under federal or state law, of an offense involving the possession or sale of illegal drugs.
- **Return of Funds.** Students who are receiving financial aid and who withdraw from all classes prior to completing 60% of the semester will have their eligibility for federal aid recalculated based on the percentage of the term completed. The college is required to return "unearned" aid to the federal financial aid programs. Students who drop all classes after the term begins may owe a tuition balance to the college after aid has been returned.

A full version of the Return of Funds policy is available on the Art Center website.

- **Satisfactory Academic Progress.** The Financial Aid Office is required by federal law to monitor the academic progress of federal financial aid recipients. Undergraduate students must maintain a 2.50 grade point average and complete at least 67% of the units they attempt. Graduate students must maintain a 3.00 grade point average.

Satisfactory academic progress is measured at the end of each semester and when a continuing student applies for aid for the first time. Students not meeting satisfactory progress standards are provided one semester on warning to elevate the grade point average and/or units completed up to the standard. If they do not meet the standard, they lose financial aid eligibility until they are able to do so. Students may be able to appeal under some conditions.

A full version of this policy is available on the Art Center website.

# A GUIDE TO TYPES OF FINANCIAL AID AWARDS

## 1. Art Center Scholarships and Grants

- In addition to any state or federal programs for which you may be eligible, Art Center can consider you for institutional scholarship or grant funds. These are awards that have a high merit component, and the amount of this funding is limited. We believe that all admitted students are deserving; however, as funding is limited, the scholarship awards cannot be offered to all students, and are a symbol of the highest merit.
- Students can apply for scholarship both as entering students, and again once they have enrolled. Students can apply who did not receive scholarship on entry or who would like to try and increase their amounts. This process currently takes place each term. The dates and policies applying to continuing undergraduate students can be found on Art Center's Website, [Inside.ArtCenter.edu/go/fa](http://Inside.ArtCenter.edu/go/fa).
- Types of scholarships. These include both the College's own funding and scholarships provided by donors, corporations, and foundations. Students will be considered for both types of scholarships without the need for any specific applications. Recipients of donor scholarships may be asked to submit thank-you letters to the donor.
- Merit and Need. Scholarships are awarded based on merit and financial need determined by the FAFSA. Merit is determined by the scholarship committee based on portfolio and academic profile. International students do not need to complete the FAFSA to apply for scholarships.

### Scholarship Conditions:

- Duration. Students holding scholarship awards may not take more than two consecutive terms off. This includes time off for internships that are not for credit. In the event that a student takes more than two consecutive terms off, the scholarship award will be forfeited and the student must reapply for scholarship assistance. There are time limitations on Art Center scholarships for students who entered in Spring 2011 and forward. Students holding Art Center scholarships enrolled in BFA degree programs are entitled to maintain their scholarships for a maximum of four years or nine semesters. Students in BS degree programs can hold the scholarship for ten semesters due to the larger credit requirement for graduation. These specified amounts of time are the normal time frame in which students complete the program or are capable of completing the program. Entering scholarships may be specified for a shorter time, but unless specified, they are for 4 years or 9 semesters.
- Continued Need. Students must continue to demonstrate financial need based on the annual FAFSA.
- Grade Point Requirement. Students must achieve a 3.0 cumulative grade point average each semester. Students whose cumulative GPA falls below 3.0 **are given one "warning" term and one "probation" scholarship term** to bring their GPA back up to 3.0. Failure to bring grades back up will result in the forfeiture of scholarship awards.
- Terms Off. Students cannot take more than two consecutive terms off; taking three consecutive semesters off will result in loss of the scholarship.
- Limits. Typically, the amount of Art Center Scholarship a student receives cannot exceed the cost of tuition for the term. Scholarship amounts are pro-rated for part-time terms.

## **Yellow Ribbon Program**

- The Yellow Ribbon GI Education Enhancement Program (Yellow Ribbon Program) is a provision of the Post-9/11 Veterans Educational Assistance Act of 2008.
- This program allows degree granting institutions in the United States to voluntarily enter into an agreement with the Veterans Administration (VA). Under this agreement, Art Center College of Design will contribute up to \$2000 of tuition expenses, and the VA will match that amount. Detailed information about the Yellow Ribbon Program can be found at: [http://www.benefits.va.gov/gibill/yellow\\_ribbon.asp](http://www.benefits.va.gov/gibill/yellow_ribbon.asp)
- In order to qualify for education benefits provided by the Department of Veterans Affairs, a student must be accepted into an Art Center College of Design degree program and enrolled in classes which meet requirements for an approved bachelors or masters degree, credential, or other VA approved programs. Learn more about the [Veterans Benefits](#) and [Yellow Ribbon Program](#) at: [http://www.benefits.va.gov/gibill/yellow\\_ribbon.asp](http://www.benefits.va.gov/gibill/yellow_ribbon.asp)

## **2. Federal Grants**

### The Federal Pell Grant program

- This is a federal government grant program to assist undergraduates who show exceptional financial need on their FAFSA. Eligibility is determined by the federal government. The level of Pell Grant on your award will be adjusted if you enroll on a less-than-full-time basis. In 2015-16, the Federal Pell Grant award will range from \$581 to a maximum of \$2,888 per semester for up to two semesters per year. Students with a prior degree are not eligible.

### The Federal Supplemental Educational Opportunity Grant (FSEOG)

- FSEOG is a federal program for students with exceptional financial need as based on their FAFSA. Art Center awards FSEOG to students who are eligible to receive a Pell Grant and who meet the FAFSA deadline of March 1. 2015-16, FSEOG awards are \$300 a semester for up to two semesters per year. Award amounts are determined annually based on available funding.

## **3. State Grants**

### Cal Grants A and B

These are California state grants for eligible California residents provided through the California Student Aid Commission. Awards are considered for students who have met the March 2 FAFSA and GPA verification deadline and who have graduated from a California high school. For the 2015-16 award year, Cal Grants range from \$824 to \$5,366 per semester. These awards are subject to change. For program details and eligibility criteria please visit California Student Aid Commission at <http://www.webgrants4students.org> and/or <http://www.csac.ca.gov>.

- Cal Grant A requirements include financial and basic eligibility criteria determined by the State of California. Eligibility is determined on the FAFSA and on a grade point average requirement set by the state each year.
- Cal Grant B requirements include financial and basic eligibility criteria determined by the State of California. Cal Grant B is awarded based on the FAFSA to students from economically disadvantaged backgrounds. First year students receive only a living stipend; in subsequent years, students receive both a tuition benefit and the stipend.
- Students who have qualified for a Cal Grant at a prior school should notify the California Student Aid Commission at [www.webgrants4students.org](http://www.webgrants4students.org).

- DACA students may be eligible for Dream Act Cal-Grants. Please go to <http://dream.csac.ca.gov>.

Students should register for Cal Grant at [www.Webgrants4Students.org](http://www.Webgrants4Students.org) and confirm your Cal Grant is assigned to Art Center: 001116.

#### 4. Federal Loans

The Federal Direct Loan programs allow students and parents to borrow directly from the federal government to help pay for educational costs. The programs include the Subsidized Stafford for undergraduates and the Unsubsidized Stafford for both undergraduate and graduate students. The PLUS program is for graduate students and parents of dependent students. A loan is money you borrow and must pay back with interest.

##### Federal Direct Stafford Loans – Subsidized and Unsubsidized

- These are available to both undergraduate and graduate students and are utilized by most eligible students.
- For “subsidized” loans, the federal government pays the interest while the student is in school at least ½ time.
- For an “unsubsidized” loan, the government does not provide the subsidy; therefore the interest accrues during those periods and is added to the principal.
- Undergraduate students who are eligible and who demonstrate financial need will be awarded both the Federal Direct Stafford Subsidized and Unsubsidized loans. Students who have no financial need and graduate students will be awarded an Unsubsidized Stafford loan.
- Interest Rate. The interest rate for undergraduate students for both the Subsidized and Unsubsidized Stafford Loan for 2014-15 is fixed at 4.66% and is subject to change on July 1 each year. Funds will generally be disbursed in two installments, one the first semester you attend, and one in the second. (Based on a two term enrollment.) Origination fees of 1.073% will be deducted from each disbursement. The origination fee is subject to change each year.
- The interest rate for graduate students for the Unsubsidized Stafford Loan for 2014-15 is fixed at 6.21% and is subject to change on July 1 each year. Funds will generally be disbursed in two installments, one the first semester you attend, and one in the second. (Based on a two term enrollment.) Origination fees of 1.073% will be deducted from each disbursement. The origination fee is subject to change each year.
- Repayment. Funds are generally repaid over a 10-year period after you graduate or withdraw from school; however, alternate repayment plans such as income-based repayment, may be available. Read the promissory note for each loan to learn more about the specific terms and conditions. For more information please visit <http://www.studentloans.gov>.
- Loan Limits. The following chart summarizes maximum loan amounts for a full academic year on Federal Subsidized and Unsubsidized Stafford Loans:

Maximum combined subsidized and unsubsidized Federal Stafford Loan are as follows:

| <b>Year in college</b>        | <b>Dependent Student</b> | <b>Independent Student</b> |
|-------------------------------|--------------------------|----------------------------|
| 1st Year<br>(0 - 36 credits)  | 5,500                    | 9,500                      |
| 2nd Year<br>(37 - 69 credits) | 6,500                    | 10,500                     |

|                                  |       |        |
|----------------------------------|-------|--------|
| 3rd Year<br>(70 – 94 credits)    | 7,500 | 12,500 |
| 4th Year<br>(95 or more credits) | n/a   | 12,500 |
| Graduate Students                | n/a   | 20,500 |

- Loan amounts listed above cannot exceed the cost of education minus other financial aid received for the award period.
- Aggregate loan amounts (total of all previous and current loans) are \$31,000 for dependent undergraduates, \$57,500 for independent undergraduates, and \$138,500 for graduate students. Students who have outstanding Stafford loans from a prior college should be aware that these amounts will count toward their maximum aggregate loan limits.
- There is also a limit to the maximum period of time 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. For more information please visit <http://www.studentloans.gov>.
- 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 until the maximum aggregate loan limit is met.
- In addition, if you continue to be enrolled in any undergraduate program after you have received Direct Subsidized Loans for your maximum eligibility period, the federal government will no longer (with certain exceptions) pay the interest that accrues on your Direct Subsidized Loans for periods that normally would have been covered.

For additional information on Direct Loan Subsidized and Unsubsidized Loans please visit: [www.studentloans.gov](http://www.studentloans.gov)

#### Federal Direct Graduate PLUS Loans

- Graduate students can apply for a Federal Direct Graduate PLUS loan which can cover up to the total cost of attendance (budget) minus any other financial aid awarded.
- We recommend that you borrow up to your limits from the Stafford Unsubsidized program before considering other loans as they may offer better interest rates and borrower benefits.
- Graduate PLUS Loans include a credit requirement.
- Direct Grad PLUS loans have a fixed rate of 7.21% subject to change on July 1 each year. Origination fees of 4.292% will be deducted from each disbursement and is subject to change each year. Funds will generally be disbursed in two installments, one the first semester you attend, and one in the second. (Based on a two term enrollment.)
- Repayment. Funds are generally repaid over a 10-year period after you graduate or withdraw from school; however, alternate repayment plans such as income-based repayment, may be available. Read the promissory note for each loan to learn more about the specific terms and conditions. For more information please visit <http://www.studentloans.gov>.

## Federal Direct PLUS Parent Loans

Parents of students who are dependent for financial aid purposes can borrow federal loans on their behalf.

- Parents can request an amount up to the yearly budget or cost of education minus any other financial aid the student is receiving.
- PLUS Parent Loans include a credit requirement. If the parent is turned down for a PLUS loan, the student may request an additional amount of Unsubsidized Stafford loan, but may borrow only up to the Stafford limit.
- Direct Parent PLUS loans have a fixed rate of 7.21% subject to change on July 1 each year. Origination fees of 4.292% will be deducted from each disbursement and is subject to change each year. Funds will generally be disbursed in two installments, one the first semester you attend, and one in the second. (Based on a two term enrollment.)
- Repayment. PLUS loan borrowers must begin repayment of principal and interest 60 days after the final loan disbursement of the academic year. Parents may defer payments on PLUS loans while their student is in school and for a six month grace period after the student graduates or drops below half-time enrollment. Read the promissory note for each loan to learn more about the specific terms and conditions. Parents may also contact the Direct Loan Servicing Center at 1-800-848-0979. For additional information on Direct Loans please visit <http://www.studentloans.gov>.

**NSLDS** - Institutions that enter into an agreement with a potential student or parent of a student regarding a Title IV loan are required to inform the student or parent that the loan will be submitted to the National Student Loan Data System(NSLDS) and will be accessible by guaranty agencies, lenders, and institutions determined to be authorized users of the data system.

*Consumer Loan Disclosure Notice* - In compliance with federal regulations under HEOA Sec. 489 amended Sec. 485B (d) (4) (20 U.S.C. 1092b) the college is required to notify you that approved loans will be submitted to the National Student Loan Data System (NSLDS) by the U. S. Department of Education and will be accessible by guaranty agencies, lenders, and institutions determined to be authorized users of the data system as determined by the U. S. Department of Education.

## 5. Federal Work-Study/ Student Employment

Federal Work Study (FWS) is a need-based program largely funded by the federal government and enables eligible students to earn part of their financial aid award through part-time employment.

- Students must find a position on campus, or through an approved off-campus Community Service program. There is no guarantee of a position, as positions available are limited.
- Students who want to work should indicate that they want to be awarded FWS when completing the FAFSA
- Jobs are available in many on-campus departments and offices, and community service positions such as assisting in local high school classrooms, tutoring elementary school students, and working at the Pasadena Public Libraries are available for Federal Work Study students only.
- Students who are not eligible for federal aid can try to find a position at Art Center on Student Employment, which is totally funded by the college. These positions are extremely limited.
- Students submit timesheets as they work and receive a bi-weekly paycheck to be used for out-of-pocket expenses such as supplies, food, or personal expenses.

## **Exchange Programs and Individualized Study Away**

Students receiving financial aid who are planning to participate in an approved Art Center Exchange Program or Individualized Study Away program should meet with a financial aid counselor to avoid a disruption in their financial aid.

Students participating in an approved Art Center Exchange Program will be eligible for financial aid as if they were on campus, with the exception of Federal Work Study (FWS) in some cases. The normal FWS component of an aid package may be covered with additional loan funds, upon request.

Students wishing to participate in an Individualized Study Away program must follow Study Away procedures and gain approval of their Department Chair and the Enrollment Services Office. Individualized Study Away participants will only be eligible for federal and sometimes state funding. No institutional funds are available for Individualized Study Away.

You are required to follow the normal Financial Aid guidelines and deadlines and complete all forms as you normally would each year at Art Center.

In addition to the regular financial aid forms, there are additional procedures participating in an Exchange or Study Away program. Please consult the International Exchange and Study Abroad Program Office and the Financial Aid Office for further information.

**General Notice to Federal Aid Recipients:** Students convicted for any offense, during a period of enrollment for which the student was receiving federal financial aid program funds, under any federal or state law involving the possession or sale of illegal drugs will result in the loss of eligibility for any federal student aid (HEA Sec. 484(r)(1)); (20 U.S.C. 1091(r)(1)).

Visit the link below to learn how drug convictions may affect your financial aid eligibility.  
<https://www.whitehouse.gov/sites/default/files/ondcp/recovery/fafsa.pdf>