

Southwestern University

Terms and Conditions of Financial Aid Awards 2013 - 2014 Academic Year

- A. Student Responsibilities - **Read this document carefully and keep it for future reference.** This document will indicate as clearly as possible the terms and conditions of financial aid awards. University funds and other aid resources are intended to help close the gap between a family's expected ability to contribute and college costs. The Financial Aid Office can assist with the determination of financial aid alternatives available. It is the obligation of the student to meet application deadlines and to complete and return requested documents expeditiously.
- B. Verification - Students whose Free Application for Federal Student Aid (FAFSA) applications are selected by the federal government to be verified must submit income documentation and complete a verification worksheet as requested by the Financial Aid Office. If requested, please submit a tax return transcript, available from the Internal Revenue Service (IRS) through their website at www.irs.gov. In lieu of a tax return transcript, some applicants may be able to utilize the new IRS Data Retrieval tool when completing the FAFSA online. This information must be submitted in order to comply with applicable federal regulations governing all federal student aid programs. If the information supplied on the verification worksheet and income documentation is different from the information supplied on the FAFSA, an evaluation of need will be made based on the verified information. The federal government prohibits the disbursement of federal aid, including student loans, to the student's account until the verification process is complete.

In addition, students who submit a Special Circumstances Form (SCF) for review must also provide the verification documents as part of the review of their circumstances. The tax return transcript, for both parent and/or student is required as part of the SCF process. It is important for students to respond to verification requests in a timely manner. Most need-based assistance is awarded on a funds available basis as applicants are ready to be processed. Since we cannot process an applicant selected for verification until all required documents are submitted, any delay in responding to verification document requests may result in a loss of gift assistance.

- C. Statement of Texas Residency - Southwestern University policy and Texas Higher Education Coordinating Board regulations require that the Financial Aid Office collect residency information on students who receive need-based financial aid. Eligibility for State of Texas funds requires submission of the Texas Residency form to the Financial Aid Office indicating that the student meets state residency requirements. This form must be received before the University can disburse any state financial aid funds, including the State of Texas' College Access Loan, to the student.
- D. Disbursement of Awards - All scholarships and grants administered directly by Southwestern University are credited to the enrolled student's account at the beginning of each term. Scholarship, grant and loan funds awarded by outside sources (i.e., state grants, loans, foundation scholarships, etc.) are not credited to the student's account until the money is received by Southwestern.
- E. Payment Plan - An extended payment plan is offered by Southwestern University. Selecting this payment plan should be done well in advance of each semester by contacting the Southwestern University **Business Office** at (512) 863-1927 or visiting www.southwestern.edu/paymentplan and clicking on the link to ECSI.
- F. Southwestern University Scholarships and Grants - Gift assistance is provided directly by Southwestern University. The University is fortunate to have a number of alumni and friends that provide endowed scholarships and annual gifts to be used in our financial aid program. Though it is not a legal obligation, there is an expectation that current recipients will assist future students in a like manner through donations to the University's endowment fund. Current recipients may be asked to acknowledge receipt of their endowed scholarship and/or grant by writing a thank you letter to the donor.
- G. Federal Pell Grants - As a result of filing the FAFSA, students are automatically considered for a Federal Pell Grant. The federal government will send the applicant a Student Aid Report (SAR) detailing potential eligibility for a Pell Grant. It is not necessary to send this report to the Financial Aid Office (unless it is specifically requested). The eligibility criteria and award amount of a Federal Pell Grant is determined by the U.S. Department of Education. The grant will be added to a student's financial aid package if they qualify.

- H. Supplemental Education Opportunity Grant (SEOG) – Depending on availability of funds, this federal grant may be awarded to Pell Grant recipients demonstrating exceptional financial need.
- I. Texas Tuition Equalization Grant (TEG) - The State of Texas provides assistance for Texas residents attending a private college or university in the state. This grant is based on demonstrated financial need and requires students to be enrolled full-time. Because state funds are limited, not all students will receive a Tuition Equalization Grant. This grant is renewable in future years provided the recipient continues to demonstrate financial need, maintains at least a 2.5 cumulative gpa, passes 24 hours per academic year and completes at least 75% of attempted coursework. Students may receive TEG for up to a total of five academic years.
- J. Student Loans - Loans are made directly to students as a way to help meet educational costs. They are to be repaid with future earnings. The information provided here reflects the current status of loan programs, but is subject to change due to pending legislation. New borrowers must complete entrance counseling prior to disbursement of the loan proceeds to learn about their rights and responsibilities under these federal loan programs. The Financial Aid Office will provide information to the student about the federal loan application processes.
1. Federal Perkins Loans are need-based federal loans made available through Southwestern University. As funding is extremely limited, priority in awarding is given to students demonstrating exceptional need. A Federal Perkins Loan Promissory Note is required for each loan disbursement. The promissory note must be signed electronically. After the Financial Aid Office receives a signed promissory note, the loan amount will be credited to the student's account. Repayment of principal and interest is deferred until the recipient ceases to be enrolled at least half-time in an eligible institution of higher education and during a nine-month grace period after leaving school. Following the grace period, interest is applied at the rate of five (5) percent per year on the unpaid balance, and repayment (depending upon the amount borrowed) may last as long as ten years.
 2. Federal Direct Stafford Loans (Subsidized) are available through the federal government. The maximum annual loan amount is \$3,500 for first-year students, \$4,500 for sophomores, and \$5,500 for juniors and seniors. The actual loan amount cannot exceed the student's demonstrated need. Currently, there are loan fees of 1 percent. Fees are deducted from the amount of the loan before disbursement. During the student's in-school period (prior to the beginning of repayment) and during periods of authorized deferment, the federal government pays the interest on the loan. However, during the loan repayment period the student assumes the interest charge. For the 2013-2014 academic year, the interest rate is fixed at 3.4 percent.
 3. Federal Direct Stafford Loans (Unsubsidized) are non-need based loans and are available with the completion of a FAFSA. The terms and conditions are similar to the subsidized Federal Direct Stafford Loans, except for the following: the borrower is responsible for interest that accrues during the student's in-school period (prior to the beginning of repayment) and during periods of authorized deferment. Students may receive both subsidized and unsubsidized Federal Direct Stafford Loans not to exceed the maximum annual loan amount of \$5,500 for first-year students, \$6,500 for sophomores and \$7,500 for juniors and seniors. For the 2013-2014 academic year, the interest rate is fixed at 6.8 percent.
 4. Alternative Loans are also referred to as Private Student Loans. They are used for educational purposes and are available through private lending institutions. These types of loans are credit-based, meaning the student borrower must be credit-worthy, or have a credit-worthy co-borrower, in order for the loan to be approved. Students may choose any lender that offers a private student loan product.
 5. Texas B on Time Loan is a state loan program that provides eligible Texas students no-interest loans to attend colleges and universities in Texas. If the student meets specified goals, the entire loan amount can be forgiven upon graduation. The terms of the loan are determined by the state and can be found online at <http://www.hhloans.com/>. Funding in this program is extremely limited. Please note that for the academic years 11-12 , 12-13 and 13-14, the State of Texas has only allocated funding for renewal awards. The university is unable to award new recipients at this time.

- L. Federal Direct Parent Loans for Undergraduate Students (PLUS) are non-need based parent loans and are available with the completion of a FAFSA. The maximum annual loan amount is the cost of attendance less other aid awards. The University is required to certify eligibility, but the loan is not based on need. All applicants must have a credit check showing no adverse credit history. Currently, there are loan fees of 4 percent of the total amount borrowed. Fees are deducted from the amount of the loan before disbursement by the lender. The interest rate is fixed at 7.9 percent.
- M. Work Opportunities - New students who are offered work-study as part of their financial aid package will have the opportunity to pursue employment with a department of Southwestern University through PirateLink. **A work study award in a financial aid package is not a guarantee of employment or earnings.** A student may earn money to pay for as many of their personal expenses as possible as indicated on his or her financial aid award letter. The amount of work-study offered in a student's package is the maximum allowed. Students are paid by check every two weeks for the actual amount of work done during each pay period. For example, a work opportunity of \$1,000 per term would involve a student working approximately nine hours per week during the semester. Students who accept the financial aid package without employment may cover personal expenses with an increased contribution from the family's resources, or in some cases, with loan funds. Students may utilize the Office of Career Service's [Pirate Link](#) to search for employment opportunities both on and off campus.
- N. Other Awards - **Students are required to immediately report scholarships, loans, or other awards from outside sources that will cover the cost of any portion of their education.** Where such awards become available, it is mandatory to make them a part of the total financial aid package. Most aid sources stipulate that the student's financial need not be exceeded. Therefore, the total financial aid amount awarded to a student is the maximum he/she can receive in a need-based aid package. **Students who utilize outside gift assistance will have their work opportunity and/or loans decreased before any gift assistance is decreased.**
- O. Reconsideration of Award – It is assumed that the financial situation of the student and their family will remain the same as indicated on the FAFSA throughout the academic year. However, any change in the financial situation that may result in a modification to the aid package may be presented for review. New information (that which was not available at the time of original application) must be submitted to the Financial Aid Office using the **Special Circumstances Form**. Upon review of the information in the Special Circumstances Form, the Financial Aid Office will respond to the request in writing. Note that submission of a Special Circumstances Form will not automatically result in an increase to the gift assistance awarded to a student. Since the demand for additional gift funding typically exceeds the available funding, the university will be unable to approve all such requests. Each request is reviewed within the context of an individual's circumstance and within the limits of the funding resources available at the university.
- P. Withdrawals – A student who withdraws from attendance at Southwestern during a semester will have his/her federal, state and/or institutional financial assistance prorated from the date of withdrawal. The amount of the proration will be determined by the appropriate federal, state, or institutional grant and/or loan programs. Earnings from any work study or student employment program do not have to be returned.
- Q. Part-time Enrollment - Southwestern University requires that a student who receives any scholarship or grant from institutional funds be enrolled as a full-time student. Full-time students with financial aid who drop to part-time status will have their awards adjusted according to university policy as stated in the Southwestern University catalog. A student who received funding from federal and/or state grant and loan programs may also be required to maintain full-time enrollment in order to receive the full amount of funding. In some instances a student may receive a prorated level of funding based upon their enrollment status. The university will apply the appropriate federal or state regulation pertaining to the individual program in determining any prorated amount of funding that the student receives.
- R. Refunds – A student who withdraws in accordance with university policy may have a portion of their tuition and board charges refunded. Refer to the refund policy located in the Southwestern University catalog.
- S. Renewal of Financial Aid – **Students and their families will be asked to file the FAFSA for each academic year in order to be considered for financial aid.** Changes to a family's financial situation will be addressed on an annual basis.
- T. Satisfactory Academic Progress - Students must meet satisfactory academic progress requirements in order to continue receiving financial aid funds. Students not meeting satisfactory academic progress

requirements, as defined in the school's catalog, will have aid withdrawn until they can demonstrate that they are meeting the requirements.

- U. Confidentiality - An individual's financial aid package reflects the family's financial situation and is considered a private matter between the student and the university. The university will release personal and financial information only to the student, unless that student has provided written permission to release this information to third parties, including parents, step-parents, and non-custodial parents. The Family Educational Rights and Privacy Act (FERPA) of 1974, as amended, governs this requirement. Additional information about FERPA can be found in the current university catalog and in the Southwestern University Handbook. To allow a student to indicate which parties, if any, may have access to this personal information, a release form will be provided to the student prior to the initial enrollment at Southwestern. This release form is also available in the Registrar's Office. Southwestern University considers public disclosure of any information revealed in the financial aid application process to be inappropriate.
- V. Military Benefits - VA educational benefits will be coordinated within the financial aid package, in keeping with the Department of Education (DOE), the Department of Veterans Affairs (VA), state, and institutional regulations.

Statement of Non-Discrimination - *Southwestern University's recruiting of students, awarding of financial aid and operation of programs and facilities are without regard to sex, race, color, age, disability, and national or ethnic origin, or any other impermissible factor. Southwestern University's commitment to equal opportunity includes nondiscrimination on the basis of sexual orientation.*

Campus Safety & Security Act of 1990 - *Southwestern University, like all colleges and universities which receive any federal funding, is required to record and report the incidence of certain criminal activities which have occurred on campus over the previous three years. In addition, schools will provide information on local counseling services and procedures for campus disciplinary action in sex offense cases and campus alcohol and drug policies. Southwestern's most recent report may be obtained by writing: Dean of Students, Southwestern University, P.O. Box 770, Georgetown, Texas 78627-0770, or by telephoning 512-863-1582.*