

Kennebec Valley Community College

Student Financial Aid Information

Financial Aid Programs That Are Available:

FEDERAL PELL GRANT – Based on financial need, these grants range from \$976 to \$5,350 in 2009-2010 for full time students; amounts for part-time students are prorated.

FEDERAL SEOG (Supplemental Education Opportunity Grant) – Also based on need; priority is given to students who are eligible for the Pell Grant.

FEDERAL ACG – (Academic Competitiveness Grant) - For Pell-eligible students in degree or certificate programs who graduated high school January 2005 or later, and who completed an academically rigorous high school curriculum. For more information, contact the Financial Aid Office.

FEDERAL WORK-STUDY – Provides part-time jobs to students with financial need. For more information, contact the Financial Aid Office.

KVCC CHILD CARE – For more information, contact Karen Normandin at knormandin@kvcc.me.edu.

KVCC SCHOLARSHIPS – See “Grants and Scholarships” on the KVCC web site or contact the Financial Aid Office.

STATE OF MAINE GRANT PROGRAMS (SMGP) – The application is the FAFSA form, which must be submitted by May 1 each year to qualify.

PRIVATE SCHOLARSHIPS—To search for Maine-based or national scholarships, visit www.famemaine.com; www.collegeboard.com; www.fastaid.com; www.fastweb.com; www.mapping-your-future.org; www.scholarships.com; or www.theoldschool.org.

VETERANS EDUCATION PROGRAMS – For more information, call the VA hotline at 1-888-442-4551 or consult the VA website, www.gibill.va.gov. The VA Certifying Officer on campus is Anne Connors, Director of Financial Aid. She can be reached at aconnors@kvcc.me.edu.

For more information about aid available at KVCC, check the KVCC website, www.kvcc.me.edu/fa, or contact the Financial Aid Office.

Loans

SUBSIDIZED WILLIAM D. FORD FEDERAL DIRECT (STAFFORD) STUDENT LOAN – Based on financial need. The principal and interest are both deferred until 6 months after you graduate or drop below 6 credits. The interest rate, a fixed 5.60% in 2009-2010, is set by federal law. Check with the Financial Aid Office for more information.

UNSUBSIDIZED WILLIAM D. FORD FEDERAL DIRECT (STAFFORD) STUDENT LOAN – Non-need-based. The interest is either paid while you are in school or capitalized over the life of the loan. (The principal is deferred until six months after you graduate or drop below 6 credits.) The interest rate, currently a fixed 6.80%, is set by federal law. Check with the Financial Aid Office for interest rate information.

DIRECT PLUS LOANS (Parent Loan for Undergraduate Students) – This loan is available to parents of a dependent student (parents must have a good credit history to qualify). The interest rate, currently a fixed 7.9%, is set by federal law. For more information, contact the Financial Aid Office.

ALTERNATIVE LOANS – These loans are not federal loans and not federally guaranteed. Borrowers are subject to a credit check, and interest rates vary. For more information, check with the Financial Aid Office.

Origination and Default Fees

For Federal Direct Stafford Loans the gross fee is 1.5%, but a 1% rebate is applied, making the net fee .5%. The upfront rebate reduces the fee paid at origination. Students who don't make their first 12 monthly payments on-time will have the rebate amount added to their principal balance. For Direct PLUS loans, the gross fee is 4%, but a 1.5% rebate is applied at origination, making the net fee 2.5%. Parents who don't make their first 12 monthly payments on-time will have the rebate amount added to their principal balance. The fees are automatically subtracted from each loan disbursement.

Loan Limits, and Refusal to Certify a Stafford Loan

Through debt management and loan counseling, students are discouraged from borrowing more than the “recommended” eight percent of projected first-year earnings (published by the KVCC Job Placement Office). Annual loan limits for subsidized and unsubsidized loans are: **\$3,500 for first year undergraduates and \$4,500 for second year undergraduates. Dependent students may be eligible to borrow an additional unsubsidized loan of up to \$2,000 per academic year. Independent students and dependent students whose parents cannot borrow a PLUS loan may be eligible to borrow an additional unsubsidized Stafford Loan of up to \$6,000 per academic year.** If you have any questions about your maximum loan eligibility, or if your award letter does not include a loan and you wish to apply for one, please contact the Financial Aid Office. Individual, comprehensive counseling by KVCC's Loan Counselor is recommended for any student wishing to borrow. (Borrowers are encouraged to limit borrowing requests to a combination of subsidized and unsubsidized federal Stafford loans that do not exceed the College's average 2007-2008 graduating student's indebtedness of \$3,130 overall/\$7,026 for those students with loans.) KVCC reserves the right, as granted by the U.S. Dept. of Education, to refuse to certify a student's Stafford loan or to certify the loan for an amount less than the established federal limits. In that instance, KVCC must document the reason and provide that written explanation to the student. KVCC's decision is final and cannot be appealed to the Dept. of Education.

30-Day Delay in Disbursement for First-time, First-Year Borrowers

If you're a first-year undergraduate student *and* a first-time borrower, KVCC cannot disburse your first payment until 30 days after the first day of your enrollment period. This practice ensures you won't have a loan to repay if you don't begin classes or if you withdraw during the first 30 days of classes.

How to Apply for a Stafford Loan

If you choose to borrow, and you have stated on your FAFSA that you are interested in student loans, then information about a Stafford loan will be included in your award letter, and there may be a loan request section on your financial aid award letter for you to fill out and return. If you want a Stafford loan and one has not been included in your financial aid award letter, please contact the Financial Aid Office. The Financial Aid Office will work with you to complete the rest of the process. All first-time borrowers at KVCC must participate in a loan entrance interview. We prefer that you do this in person by setting up an appointment with a Loan Counselor in the Financial Aid Office, but you can also do this on-line by going to the KVCC web site, clicking on "loans," and then on "on-line loan entrance counseling."

Important Change to Loan Processing for KVCC Students, Beginning with New Students Entering January 2009

KVCC has moved from the Federal Family Education Loan (FFEL) program to the William D. Ford Federal Direct (Stafford) Loan program, in which borrowers obtain loan funds directly from the US Department of Education. For the 2009-2010 academic year, ALL Federal Stafford and Federal PLUS loans will be processed through the Direct Loan program, so **if you are a continuing student who had a loan through the FFEL program in 2008-2009, you will be required to borrow through the Direct Loan program in 2009-2010, and you will have to fill out a new Master Promissory Note (MPN). To do this, go to www.kvcc.me.edu/fa, under "types of aid," click on "loans," then under "forms," click on "completing Stafford MPNs for Federal Direct Loans Online."**

Why did KVCC Choose to Move to the Direct Loan Program?

Volatility in the credit markets and reductions in lender subsidies have caused many lenders to stop offering borrower benefits and other services. The Direct Loan program is not impacted by changes in the economy and provides a more stable loan process.

What are the Benefits in the Direct Loan Program?

There are several benefits in the Direct Loan Program, including:

- A guaranteed source of funding for student loans.
- The option of an income-contingent repayment plan or an income-based repayment plan when a student enters repayment. This means a student has the option of ensuring that the loan repayment amount will always be affordable based on what the borrower's income will allow.
- Students in the Direct Loan Program who enter into public service jobs can have any remaining balance on the loans forgiven after 10 years of repayment while in public service work. (While this option does not exist in the FFEL Program, students who borrowed in that program can consolidate their loans into the Direct Loan Program in order to take advantage of this forgiveness.)
- The interest rate for the parent PLUS loan is 7.9 percent in the Direct Loan Program compared to 8.5 percent in the FFEL Program.
- Should a student make payments late under the Direct Loan Program, the late fees charged are less than the late fees charged by lenders in the FFEL Program.

For more information on the Direct Loan Program, go to www.kvcc.me.edu/fa, under "types of aid," click on "loans," then click on "Direct Loan Information and Frequently Asked Questions."

Borrowing Wisely-Before You Borrow, Have You Considered...

- 1) **What your plans are after graduation?** Bear in mind that Stafford Loans ultimately have to be repaid. Principal payment begins six months after you graduate or leave KVCC or drop below six credits.
- 2) **Putting together a budget of estimated expenses** for this academic year? You can estimate the cost of tuition, fees and books by asking the Business Office. Keep track of your transportation and personal costs by writing down every expense for one month. This will give you a better idea of what your costs really are and may show you areas where you can save money. Choose your borrowing amount only after estimating your budget. You may discover that you can get along by borrowing less. Review your award letter along with your savings, anticipated savings and your academic year job earnings before entering the "loan amount requested."
- 3) **Reducing the amount you are borrowing?** Borrowing for direct educational costs such as tuition, fees, and books makes sense. Reduce or eliminate borrowing for personal expenses. It is easier to borrow than it is to repay the loan.
- 4) **What your life/earning power will be like after graduation?** Keep in mind that even though Stafford loans are "low interest" loans, the less you borrow now – the less you will need to pay back. The average starting salary (based on KVCC surveys) of a KVCC graduate is \$29,774. Ask the Financial Aid Office for the average starting salary for your particular educational program. Consider that, after graduation, you may wish to purchase a car or a home and having to pay a monthly loan payment can make it more difficult to save for this. Keep in mind that your student loan repayments will compete dollar for dollar with your future purchases.

Some Important Financial Aid Tips

Check the KVCC web site – You can access financial aid information easily and conveniently by using the KVCC website, www.kvcc.me.edu/fa. Financial aid policies, procedures, and forms are all posted on the website. Some of the forms can be filled out online and electronically submitted to the Financial Aid Office. Others can be downloaded and mailed in. You can check your personal financial aid account online, through a link on the KVCC Student Access System. You will receive only one paper award letter annually, so check your personal financial aid account frequently for updates or changes.

Check your KVCC e-mail address frequently. Scholarship information, and important notices and deadlines will be sent to you throughout the year via e-mail. All incoming students are given a KVCC e-mail address. If you do not have a computer at home, you can check your mailbox at the computer lab on campus.

Check with the Financial Aid Office if you stop attending—do not just “disappear.” If you have attended KVCC at least one day and stop attending all classes before the end of a semester, (which means you have totally withdrawn, either officially or unofficially), regulations require the Financial Aid Office to perform, in accordance with a federal formula, a “Return to Title IV” funds calculation. This calculation determines, (based on your withdrawal date, your last date of attendance, or it that is unknown, the mid-point of the semester), how much financial aid was not actually earned and must be returned to the Department of Education. So, it’s possible, if you withdraw or “disappear” before completing 60% of the semester, that you could **owe money**. If circumstances require you to stop attending, check with the Financial Aid Office to see if there might be financial consequences.

Maintain Satisfactory Academic Progress. – Make sure that you successfully complete courses and keep up your grades in order to continue receiving grants, loans or work-study. (See the Satisfactory Academic Progress Policy on the KVCC web site.)

Know your credit load. – Be aware of how many credits you are taking (you can get this information from the Registrar or from your advisor). If you drop or add credits (courses), it can affect your financial aid, so check with the Financial Aid Office when you make changes. If you have a student loan, you must be registered for at least six credits each semester. If you drop below that, you will immediately lose your loan eligibility and your in-school deferment status. If the number of credits you are taking changes from fall to spring, please contact the Financial Aid Office.

Keep all paperwork. – Keep copies of all the written materials related to your loan that you receive either from KVCC or from your lender.

For further information, please contact the Financial Aid Office, located on the second floor of Carter Hall. Phone: 207-453-5160.

KVCC is an equal opportunity/affirmative action institution and employer. For more information, please call John Delile at 453-5123.