



# Financial Aid Notification

## 2010-2011

Kentucky Community and Technical College System

<http://www.kctcs.edu>

Thank you for your application for student financial aid. Please take a few minutes to thoroughly review this document and the associated 2010–2011 financial aid awards. This document will help you understand information such as the cost of attendance, important dates, specific loan information and more.

- Awards are based on expected full-time enrollment. If you enroll in less than 12 credit hours, your awards may need to be adjusted.
- Students must be enrolled in at least six credit hours to receive most types of aid, including the College Access Program (CAP) Grant, Kentucky Educational Excellence Scholarship (KEES) and student loans. Academic Competitiveness Grant (ACG) requires full-time enrollment.
- You are not eligible for financial aid if you are any of the following: a NON-DEGREE seeking student, in certain certificate programs or auditing classes.
- We assume that you accept all scholarship and grant awards. You do not need to accept these. If you want to reduce or decline these awards, please mark so appropriately on your Financial Aid Notification, sign and submit this document to the Financial Aid Office. You may accept or decline all other awards (student loans and federal work-study) in two ways: 1) by using your Financial Aid Notification and marking it appropriately with your choices, signing, and submitting to the Financial Aid Office, or 2) by visiting <https://students.kctcs.edu/> to log on to the self-service site and submitting electronically.
- All grant and/or loan funds will be received by the school and credited to your account. Aid received in excess of charges will be delivered to you.
- Estimate of Cost  
The components used by your school to determine your estimated expenses include:
  - Tuition and fees – The average cost of your classes plus any additional fees you may be charged.
  - Room and Board – An estimated amount based on your reported living arrangements and costs.
  - Books and Supplies – An average amount you might expect to pay for your books and supplies.
  - Transportation – Estimated cost for travel expenses to attend classes.
  - Personal Allowance – An estimated amount for clothing, personal, medical and recreation expenses.
- Estimate of Resources (also known as the Expected Family Contribution)  
The Expected Family Contribution (EFC) is derived from the information you provided on your Free Application for Federal Student Aid (FAFSA). It is a figure of how much you and your family can be expected to contribute to the cost of your education. The EFC is used to determine your eligibility for federal student aid. It is not necessarily what you will actually have to pay out-of-pocket to attend classes.
- Budget Summary – Often referred to as the Cost of Attendance (COA) and defined as your total cost of attending college for a specified period of time, as established by law. The COA includes estimated direct costs (tuition, books and fees) and indirect costs (room and board, transportation, etc.). The “TOTAL COSTS” are not what you are expected to pay out of pocket to the college to attend classes. The direct costs are generally what is associated with this expense to the college.
- Other Aid – This section is designed for you to inform us of other types of aid that you will receive, but are not listed on this Financial Aid Notification. Other types of aid can include scholarships or other third party resources (Vocational Rehabilitation, Employer, WIA, etc.).
- Certifications – This section provides important messages, acknowledgements and signature requirements regarding your Financial Aid Notification. Please read this section carefully.
- Messages – This section provides important messages, acknowledgements and perhaps signature requirements. Please read it carefully.

## Federal Direct Loan Information

- A Direct Loan is awarded on the basis of federal financial need. You are not charged interest on the loan before you begin repayment or during authorized periods or deferment.
- An Direct Loan is not awarded on the basis of need. You are charged interest from the time the loan is disbursed until it is paid in full. If you allow the interest to accrue while you are in school or during other periods of nonpayment, it will be capitalized.
- Repayment for both loans does not begin until 6 months after you have graduated or you are not enrolled at least half-time for a period of 6 months. The interest rate for loans disbursed after July 1, 2006, is a fixed 6.8% during in-school, grace, and deferment periods. The Master Promissory Note provides further detailed information.

If you have been awarded a Direct Loan, please review the following steps:

- Loan eligibility has been calculated based on grade level, other aid received and cost of attendance for each student. Loans were processed at \$3,500 for freshmen and \$4,500 for sophomores. Independent students may be eligible for additional Unsubsidized Direct Loan funds. A student is classified as Independent based on information submitted on the FAFSA.
- First-time borrowers must complete Entrance Counseling in order to receive their loan proceeds. This can be done at [www.studentloan.gov](http://www.studentloan.gov).
- If you are accepting the Direct Loan, you must be enrolled at least half-time (6 credit hours) in a KCTCS eligible program for the funds to be disbursed.
- To borrow a Direct Loan at any KCTCS school, you also need to have an active Master Promissory Note (MPN) with the U.S. Department of Education. You may eSign (electronically sign) the MPN online at [www.studentloan.gov](http://www.studentloan.gov) using your Department of Education PIN. This is the same PIN you may have used to sign your FAFSA electronically. If you have misplaced your PIN, you may register for a new PIN at [www.pin.ed.gov](http://www.pin.ed.gov).

The financial aid office advises all students to borrow only what is absolutely necessary to pay school expenses. Excessive borrowing in the student loan programs will greatly increase your future financial obligations. All students are encouraged to visit [www.studentloan.gov](http://www.studentloan.gov) for debt management strategies.

## Class Attendance

Financial aid recipients are required to attend classes before receiving funds. If you fail to attend class or classes, you are required to report non-attendance to the Financial Aid Office before the "last day to add a class". Failure to do so will result in repayment of funds received.

## Satisfactory Academic Progress

In order to continue to be eligible for Title IV financial aid, students are expected to make satisfactory academic progress (SAP) toward graduation. SAP is defined as maintaining a 2.0 GPA and passing 67% (two-thirds) of all classes attempted. You are expected to complete your program using no more than 150% of your credit-hour program requirements. All grades count toward the 150% maximum time frame, including, but not limited to, transfer grades, W's, E's and/or F's. More complete information is available from your KCTCS home school Financial Aid Office

## Return of Title IV

When a student withdraws from school without completing the term of enrollment, the school must determine the amount of Title IV funds "earned" for the portion of the term he/she attended. Unearned federal student aid must be repaid. Students who fail all of their classes may also be subject to this policy.

## Important Facts to Remember

### **Borrower Responsibility**

It is important for you to communicate with your lender(s) throughout the life of your loan(s). You must notify the lender and guarantor of any change of name, address, telephone number, school, or enrollment status. You should maintain a complete file of student loan forms and correspondence.

### **Repayment**

Six months after you leave school or drop below half-time status, repayment begins on a subsidized Federal Direct Loan. Repayment of the interest on an unsubsidized loan begins immediately upon disbursement but may be delayed until six months after you leave school or drop below half-time status.

Generally, you have up to 10 years to repay your student loans under the standard, graduated, or income-sensitive repayment options. A minimum monthly payment amount of \$50 is required.

### **Consumer Information and Questions**

For more information on financial aid, we encourage you to visit our KCTCS financial aid website at <http://www.kctcs.edu/student/financialaidscholarships/index.htm>.