



**ACADEMY**  
*Of*  
**ART UNIVERSITY**

**Guide to Financial Aid**  
**Programs**

**2009-2010**

## A Message

Have you ever dreamed about the opportunities that educational experiences past the high school level could open up to you, but felt these possibilities to be out of your reach because of your personal family financial situation? All too often, students who would have been capable of attending and succeeding at the school of their choice give up on the idea of furthering their education and increasing their skills due to the problems of money. As far as they are concerned, MONEY CLOSES THE DOOR.

We want to suggest some ways you might OPEN THOSE DOORS back up by discussing the possibility of student financial aid for use at our University. You should be aware that millions of students across the United States apply for financial assistance every year and receive funds to make their education possible. Before you decide you can't afford specialized training, take a few minutes to consider whether you can afford not to further your education. Statistics show that people who receive training beyond high school make one of the best investments that can be made in terms of lifetime income. But like any investment, it takes time to decide what is the best route to take. You have made the first step by requesting information about the Academy of Art University. Invest a few minutes more to see what sources of aid might be available to you.

And remember, we're here to help you during the process. Our financial aid staff is available to:

- Help you find sources of financial aid of which you may be unaware.
- Assist you in filing Financial Aid applications.

One final note of caution before you begin reading this booklet: While we think this booklet will answer most of your questions, you should be aware that policies, procedures and Federal rules and regulations are subject to change. The financial aid office will have the latest information.

## The Concept of Financial Aid

You don't have to be from a low-income family to qualify for financial aid, but you do have to have "financial need." Your "need" is the difference between what it costs to attend a particular school and what you and your family can contribute.

### Here's how it works:

Cost of going to school (tuition, fees, books, supplies, room & board and personal expenses)

Minus (-) Your Expected Family Contribution (the amount that you and your parents should be able to contribute as determined by a Government formula.)

Equals (=) Your Financial Need.

*Let's take a look at the two sides of this important equation.*

## Educational Costs

In addition to the costs for your tuition and fees, books and supplies (which can be found in the school catalog), financial aid programs also estimate how much it costs to live under various circumstances (i.e. depending upon whether you live with your parents, campus housing or in a separate apartment). This amount is called the “cost of attendance budget.” The financial aid office measures your ability to contribute against the appropriate cost of attendance budget. Although school costs vary, the amount you are able to pay stays the same. That’s where financial aid helps. If you and your parents can’t contribute much money towards your education, and you want to go to a private institution, you will probably qualify for more financial aid because your “need” will be higher. Financial aid programs offer a way to bridge the gap between what the student and family can provide and what it will cost to attend this school.

### Chart of Typical Student Expenses 2009-2010

Each program within the school will have a different cost of attendance budget. This will depend upon the tuition, and the length of the program, since cost of attendance budgets include the costs of tuition and fees, books and supplies, monthly allowances for room and board, transportation to and from school, and personal expenses such as clothes. While your tuition and fee costs are fixed, the amount you spend on living costs will depend largely on your own actions as well as your individual circumstances. In order to estimate what these expenses might be, we have prepared the following chart created by the California Student Aid Commission’s research on a modest, but adequate standard of living under various conditions. (To these figures we add the cost of tuition, fees, books and supplies for the program in which you intend to enroll.)

#### Estimates of (Monthly) Living Expenses

	Student Living With Parents	Student Not Living With Parents	Students Living On Campus (Average)
Room & Board	\$482	\$1208	\$1489
Personal Expenses	\$344	\$314	\$250
Transportation	\$116	\$130	\$88

*If you have any unusual costs such as expenses for child-care or for a disability, we may be able to adjust your budget for these circumstances.*

### Expected Family Contribution (EFC)

We have just looked at the cost of going to school. The next important element is the amount that your family can contribute. As indicated before, financial aid is awarded to bridge the gap, or to supplement, the amount you and your family are reasonably able to contribute towards your educational expenses. The Federal government refers to this procedure as need analysis, and each year approves an objective formula to consider each family’s financial strength. In order to perform this evaluation, it is necessary to request confidential financial facts about your family’s income and assets, the size of your family, the number of persons attending postsecondary

education, and any unusual circumstances or expenses which you face. From this independent and objective analysis, a parental contribution is calculated. Students are also expected to contribute from their savings and any earnings they have while in school. The combination of what parents can contribute and what the student can contribute is called the expected family contribution.

## **Determining Independent Student Status**

When we speak of your parents below, we mean natural or adoptive mother or father or stepparent.

An independent student is one who meets one of the following criteria:

1. An individual who is at least 24 years old by December 31 of the award year.
2. A veteran of the Armed Forces of the United States.
3. An individual currently serving on active duty in the U.S. Armed Forces for purposes other than training.
4. An individual with legal dependents other than a spouse that receives more than half of their support from you.
5. An individual with children who receive more than half of their support from you.
6. Graduate or Professional Student (Does not include preparatory courses for MFA or 2<sup>nd</sup> BFA students).
7. Married/Separated as of the date you complete the FAFSA
8. If at any time since you turned age 13, both your parents were deceased and you were in foster care or were a dependent or ward of the court.
9. An emancipated minor as determined by a court in your state of legal residence.
10. In legal guardianship as determined by a court in your state of legal residence.
11. At any time on or after July 1, 2008 your high school or school district homeless liaison determined that you were an unaccompanied youth who was homeless.
12. At any time on or after July 1, 2008 the director of an emergency shelter or transitional housing program funded by the U.S. Department of Housing and Urban Development determined that you were an unaccompanied youth who was homeless.
13. At any time on or after July 1, 2008 the director of a runaway or homeless youth basic center or transitional living program determined that you were an unaccompanied youth who was homeless or were self-supporting and at risk of being homeless.

## **Other Eligibility Requirements**

For all of the Federal aid programs, students must have need in order to qualify. But in addition to the requirement of “need,” there are several other eligibility factors you must meet:

- You must be a U.S. citizen, a permanent resident, or in the United States for other than temporary purposes. Acceptable visas would be the I-551 or I-94, if it is stamped “Refugee,” “Indefinite Parole,” “Asylum Granted,” or “Cuban-Haitian Entrant”. If you have another visa type, the financial aid administrator will be able to help you in determining whether or not you are eligible.

- Not be in a default on any FFELP/SLS/PLUS LOAN, FEDERAL DIRECT LOANS or PERKINS (NDSL) received at any school, and not owe a refund on an FSEOG, Pell or state grant.
- Make satisfactory progress as defined in the school catalog.
- Registered for the draft with the Selective Service if you are a male who is at least 18 years old and born after 12/31/59.
- For the Supplemental Educational Opportunity Grant, the Pell Grant, and ACG Grant programs, you may not have previously received a bachelor's degree.

## **Financial Aid Programs**

The preceding pages have discussed the basic factors determining who receives financial aid. The individual financial aid programs each have regulations, which further affect your eligibility and the amount you may receive in each of the programs. At this University, based on an institutional application accompanied by the application for Federal Student Aid and income documentation, our aid administrator will consider you for all programs, which might be appropriate. Let's look at the various programs that may make up your financial aid award. Financial aid includes grants (outright gifts of money that do not need to be repaid), loans (borrowed money that you repay with interest) and work-study.

Financial aid comes from many different sources:

- The Federal Department of Education
- The State Government
- Private Sources

## **Federal Programs**

Since it is important that you fully understand the available aid programs, and your rights and responsibilities under them, the United States Department of Education has prepared a brochure entitled "Funding Education Beyond High School - The Guide to Federal Student Aid" which explains them. A good deal of useful information is contained therein. **BE SURE TO READ IT!**

### **Please note our institution participates in the following:**

<b>Pell-</b>	Federal Pell Grant Program
<b>Direct Subsidized/ Direct Unsubsidized Loans-</b>	Government Loans that must be repaid
<b>Direct Parent Plus Loans-</b>	Government Loan for Parents of Dependent Undergraduate Students
<b>Direct Graduate Plus Loans-</b>	Government Loan for Graduate Students

<b>FSEOG-</b>	Federal Supplemental Education Opportunity Grant
<b>FWS-</b>	Federal Work Study Program
<b>ACG-</b>	Academic Competitiveness Grant
<b>VA-</b>	Veterans Administrative Benefits Including Post 9/11 GI Bill and Yellow Ribbon Program

Federal student loans have several unique features. If you decide to borrow, a financial aid administrator will discuss these features with you in detail. Of particular importance to you should be the repayment schedule you will need to follow in repaying the loan. To give you an idea of the total amount you will need to repay, we have prepared the following chart for loans with 6.8% interest rate. If you have access to the Internet, you can get a repayment schedule based on the amount you have borrowed. The Direct Loan Interactive Calculator site is: <http://www.ed.gov/directloan>.

Total Borrowed	Total Number of Payments	Total Monthly Payments	Interest Charges
\$ 5,000	120	57.54	1,904.80
\$ 10,000	120	115.08	3,809.60
\$ 20,000	120	230.16	7,619.20
\$ 30,000	120	345.24	11,428.80

If you borrow under the Direct Plus Program at 7.9%, the following is information on the amounts your parents or a Grad Plus borrower would repay.

Total Borrowed	Total Number of Payments	Total Monthly Payment	Total Interest Charges
\$ 5,000	120	60.40	2,247.99
\$ 10,000	120	120.80	4,495.97
\$ 15,000	120	181.20	6,743.96
\$ 20,000	120	241.60	8,991.94
\$ 30,000	120	362.40	13,488.00

Since the amount of interest you will need to repay increases with the amount you borrow, you will want to restrict your loan only to the amount you actually need to attend school. It is very important to note that, should you receive a loan, you are responsible for notifying the loan servicing center immediately of any change in your name or address. You should also be aware that you may make early repayments on the whole loan or any portion of it without a penalty. Another feature of this loan is that your loan obligations will be canceled if you die or become permanently disabled.

All of these special provisions are explained in the promissory note that you must sign when you apply for your loan. Be sure to get a copy, read it, and keep it for future reference.

## **How to Apply for Financial Aid**

The process of applying for financial aid will vary with the types of aid for which you wish to be considered. Let us look at the forms that must be filed and the procedures used for each of the various sources of aid.

### **The Federal Pell Grant Program**

All students who are applying for any type of financial assistance are required to first complete a Free Application for Federal Student Aid (FAFSA), which collects family income and asset information. This form is available online at [www.FAFSA.ed.gov](http://www.FAFSA.ed.gov). Be sure that you are filing the form for the correct year. If you will begin your training any time during the period from July 1, 2009 through June 30, 2010, you need to complete the 09-10 application. If your education will extend beyond June 30, 2009, you also need to complete 2010-2011 Free Application for Federal Student Aid when they become available in January of 2010.

In addition to the Free Application for Federal Student Aid, you need to obtain and complete the Financial Aid Forms Packet, which is available at the school. This includes, among other things, information on your previous postsecondary education so that data may be secured on any financial aid you have received in the past.

### **Where Do I Send the FAFSA?**

Complete your FAFSA online at: [www.fafsa.ed.gov](http://www.fafsa.ed.gov). Instructions are provided on the website. Be sure to include the Federal Code in section 5 of the FAFSA. The Federal Code for the Academy of Art University is 007531.

*What Happens After My Financial Data is sent to the Federal Processor?*

1. The Federal Processor will analyze the income and asset information which has been provided according to a formula that has been approved by Congress. This formula determines the amount of Federal funds you will receive.
2. An Institutional Student Information Report (ISIR) will be sent to the school indicating whether you are eligible for a grant under the Pell program. A sample of all applications processed is selected for verification by the Federal processor. If your application has been selected for this procedure, a remark will be found in the comments section of your SAR/ISIR. If this is the case, we will assist you with the additional required documentation.
3. The financial administrator will next calculate the amount of federal grants and student loans (parent loans) for which you are eligible, based upon the length of your loan period, the cost and the portion of your training which has been designated in the award year. An awards letter will be generated and sent to each student along with other required financial documents.

## Disbursement of Pell Grant Funds

The amount of your Pell grant will be determined by the Expected Family Contribution calculated by the Federal Processor, your cost of attendance and your enrollment status. Awards are pro-rated for three-quarter time, half-time and less than half-time enrollment. Pell grant funds are applied directly to your tuition account for each term that you are eligible.

## William D. Ford Federal Direct Loan Program

You should first apply for grants by completing the FAFSA before you apply for a Direct Stafford Loan. The Direct Stafford (Subsidized) Loan program is also based upon the need concept that was discussed on the first two pages.

You need to complete and sign a Master Promissory note provided by the school to obtain a loan through the Direct Loan Program. You may also complete the Master Promissory note online at <https://dlenote.ed.gov/empn/completenew.jsp>. Be sure to list two complete references with two different addresses in the United States. If you make a mistake on the application, put one line through the error and enter the correct information (always initial each correction). Return the completed Promissory Note to the financial aid office at the school for final review by a school official. If the Direct Loan Servicing Center has a Master Promissory Note on file, you do not need to complete another promissory note.

## What is the difference between a Subsidized Direct Stafford loan and an Unsubsidized Direct Stafford loan?

The terms of subsidized and unsubsidized loans are generally the same with one exception: The Federal Government will pay your interest while you are in school at least half time and during your grace period on any **Subsidized** portion of your Direct Stafford loan. The Federal Government does not pay your interest during any in-school or grace periods on the **Unsubsidized** portion of your Direct Stafford loan. The interest rate for subsidized loans for undergraduate students may also be at a lower rate.

### *What Happens Next?*

After your promissory note has been reviewed in the financial aid office it will be sent to the loan servicer selected by the U.S. Department of Education. When the promissory note is accepted by the servicer, the school will request your loan funds from the U.S. Department of Education after verification of your enrollment status. If your promissory note is not accepted by the servicer, you will be notified by the school as to what action is necessary to re-submit your promissory note (i.e., references are incomplete or your signature cannot be read or does not match the name on the promissory note). It is very helpful to sign your name as it appears on the promissory note. For example, if your first name is David, do not sign "Dave", or if your name is Elizabeth, do not sign "Beth".

## Disbursement of Funds

Enrollment status is verified prior to each loan disbursement. If your loan eligibility changes due to a change in your enrollment status the school may need to adjust any subsequent disbursements to avoid an over award.

## Direct Loan Confirmation

For Direct Loans made under the multi-year feature of the Master Promissory Note the Academy of Art University requires affirmative confirmation to determine loan amounts for all Stafford and PLUS loans. Active confirmation requires receipt of the following information:

For Stafford Loans and Graduate PLUS Loans – A signed copy of your awards letter accepting the specified Direct Stafford or Graduate PLUS loan amount for each loan period.

For Parent PLUS Loans – A Parent PLUS Borrower Information Sheet signed by the parent applying for the loan, indicating the amount of the Parent PLUS loan for each loan period.

## Summer Terms

The University treats summer terms as a trailer to the scheduled academic year (Fall/Spring).

## Multiple Disbursements Requirement

Federal regulations require all student loan funds to be disbursed in at least 2 payments (unless the loan is only for one term: i.e. summer only). The second payment cannot be disbursed until at least one half-of your loan period has expired.

**Example** - Loan period is for the Fall and Spring semester combined. The first disbursement (1/2 of the approved loan amount) is made during the Fall semester and the 2<sup>nd</sup> disbursement (assuming continued eligibility) will be made after the drop/add period during the Spring semester.

Direct loan funds will be applied directly against your tuition account. When the loan funds applied towards your account exceed your tuition balance, a credit balance will be created and you will receive a refund for the amount of the credit on your account\*. (Allow 2 weeks for processing).

**\*Note:** The parent must receive the refund check if the credit is from a Parent PLUS loan.

You will be notified by the school whenever Direct Loan funds are applied toward your tuition account and you will have 14 days to cancel the loan if you choose.

Please go to: [www.ed.gov/directloan](http://www.ed.gov/directloan) for more information on Direct Loans. This website is an excellent information resource for questions regarding Direct Loans. Please pay particular attention to:

- Repayment options (5 different repayment plans)
- Deferments/Forbearance
- Loan Consolidation - allows you to make 1 easy monthly payment for all of your outstanding loans.

## **Transfer Students**

If you transfer from another institution where you received Federal Financial Aid for the same year your awards may be adjusted to reflect the amount already received. For example, if you start during our spring semester and received financial aid during the previous Fall semester at another institution your awards will be reduced accordingly.

## **The Federal Supplemental Education Opportunity Grant (FSEOG)**

### *How Do I Qualify?*

Your eligibility for an FSEOG will be determined by your Expected Family Contribution produced by the Central Processor. Because of the limited amount of funds available to the school, only students with a 0 EFC who qualify for a Pell Grant will receive an FSEOG.

### *How Much Will I Receive?*

Awards range from \$700 to \$1,000 per academic year depending on the funds that are available to the University.

## **Disbursement of SEOG Funds**

FSEOG funds are applied directly toward your tuition account. Awards are based on financial need as determined on the first two pages and are not adjusted based on enrollment status. Your award letter indicates the amount and term, for which funds will be disbursed.

## **Academic Competitiveness Grant (ACG)**

The Academic Competitiveness Grant (ACG) is for undergraduate students who are enrolled in their first or second academic year in an eligible program in any field, who have completed a rigorous secondary school program of study, and who also have at least a 3.0 cumulative GPA for the first academic year. ACG recipients must be Pell eligible.

## **Federal Work-Study (FWS)**

### *What is Federal Work-Study?*

FWS provides jobs for undergraduate and graduate students who have financial need. FWS gives you a chance to earn money to help pay for your educational expenses.

### *How Do I Qualify?*

Eligibility for FWS is calculated by using the need analysis formula on page one of this document. Only students with “unmet need” will be considered for FWS.

### *How Much Will I Be Paid?*

Generally, Federal Work Study Students are paid the minimum wage, which is currently \$9.79 per hour.

### *When Will I Be Paid?*

You will receive your paycheck every other Friday.

### *How Do I Apply?*

Positions are coordinated by the financial aid office and each department Director/Representative. A Free Application for Financial Aid (FAFSA) must be completed before eligibility can be evaluated. Priority is given to continuing students who have some experience in the field for which the job is available. Students who are interested in FWS should ask for a flyer about FWS for more details at the Financial Aid Office. Eligible students must complete an I-9 and W-4 form in order to be paid.

## **Federal Direct Parent PLUS Loans**

### *What Are Federal Direct Parent Plus Loans?*

Federal Direct Plus loans allow parents of dependent students to borrow for each child that is enrolled at least half-time. Credit checks are conducted by the loan servicer to determine the parents' credit history.

### *How Much Can They Borrow?*

The loan limit is your cost of education (including an allowance for room and board, personal expenses and transportation) minus any other financial aid to be received for the academic year.

### *What if my parent is denied a Federal Direct Plus Loan because of poor credit history?*

If your parent gets denied a Federal Direct Plus loan see a financial aid officer at the school. Your parent can obtain a co-signer or you may apply for an additional unsubsidized Direct Stafford loan.

**Note:** Grandparents, legal guardians or other relatives may not borrow under the Parent PLUS program.

## **Federal Direct Graduate PLUS Loans**

Federal Direct Graduate Plus loans are available to graduate students enrolled at least half-time (6 units). Credit checks are conducted by the loan servicer to determine the students credit history.

*How much can I borrow?*

You can borrow up to your cost of education (including an allowance for room and board, personal expenses, and transportation) minus any other financial aid received for the academic year.

*What if I am denied the Graduate Plus loan because of poor credit?*

You may obtain a credit-worthy co-signer if your loan is denied.

## **NON-FEDERAL PROGRAMS**

### **Cal Grant**

All students who are applying for Cal Grant must complete a Free Application for Federal Student Aid and a GPA Verification Form. The deadline to file is March 2nd of each year for the upcoming academic year. The GPA Verification form must be certified by a high school or college official before it is sent to the California Student Aid Commission. You do not need to complete a GPA Verification form if you are currently a Cal Grant Recipient.

*What are the requirements?*

Cal Grant Recipients must:

- Be a U.S. Citizen or eligible non-citizen as specified in the FAFSA instructions.
- Be a California resident.
- Not exceed income or asset ceilings for parent or student.
- Enroll in and attend an eligible California vocational school, college or university.
- Maintain no less than half-time enrollment.
- Have financial need
- Maintain satisfactory academic progress.
- Not be in default on a student loan or owe a grant repayment.
- Not have a bachelor's or greater degree (e.g. M.A.) or the equivalent

*How Will I Know If I Received a Cal Grant?*

A student is notified by the California Student Aid Commission if they are eligible for a Cal Grant. A student will receive a California Aid Report (CAR) which will list all eligibility information.

## **Veterans Affairs Benefits**

The Academy of Art University is authorized by the Department of Veterans Affairs to certify students enrolled in our degree programs for benefits under Chapter 30 (Montgomery G.I. Bill – Active Duty), Chapter 31 (Vocational Rehabilitation), Chapter 33 (Post 9/11 GI Bill) Chapter 35 (Veteran’s Spouses or Dependents), Chapter 1606 (Selected Reserve), and Chapter 1607 (Reserve Educational Assistance Program). Eligibility and chapter is determined by the Department of Veterans Affairs (888-442-4551).

## **Private Alternative Loans**

The Academy of Art University works with many different lenders who offer private education loans to students. A credit check and verification of income is required. A list of lenders can be found on our website at [www.academyart.edu](http://www.academyart.edu) (financial aid link).

### **Does the School have any deadlines for turning in financial aid paperwork?**

Yes! In order to use financial aid to cover your tuition and fees you must have your award letter prior to the Saturday before the term begins (It usually takes between 2-3 weeks to receive an award letter). Any additional required paperwork must be turned in to the financial aid office no later than 14 days after the start of the semester (10 days for summer term). The school will process financial aid applications after the deadline date, but the student must pay all tuition and fees from personal resources.

### **What Must I Do to Continue Receiving Financial Aid?**

Once your aid has been determined for the year, you have two major responsibilities:

#### **1. Satisfactory Academic Progress**

- Apply yourself and learn as much as you can. This will not only help you in your career later, but is also a condition of your continuing to receive financial aid.
- In order to continue receiving financial aid funds, you must be making “satisfactory progress” as outlined in the University Catalog. Before funds are disbursed to you each period, the financial aid administrator must verify that you have met these requirements.

#### **2. Reapplication for Aid**

- You also have the responsibility to meet all deadlines in reapplying for financial aid funds. Each Fall semester is the beginning of the financial aid award year.

## **Fraudulent Information**

The institution is required by federal regulations to make referrals to the Department of Education and the Department of Justice if it is suspected that aid was requested under false pretense. This institution takes very seriously the proper stewardship of Federal funds and will cooperate with government agencies in the full prosecution of students who were found to provide falsified information. If a student received financial aid because information was

reported incorrectly, any portion of that aid which should not have been received must be repaid. If you purposely give false or misleading information on your application form, you may be fined \$10,000, receive a prison sentence, or both.

## **Exit Interview**

All students who have received Federal Stafford Loans are required to have an exit interview with financial aid prior to leaving school or dropping your enrollment to less than half-time (defined as 6 units). Your rights and responsibilities concerning your financial obligations will be discussed at that time.

## **Treatment of Title IV Aid When a Student Withdraws**

The law specifies how the Academy of Art University (AAU) must determine the amount of Title IV program assistance that you earn if you withdraw from school. The Title IV programs that are covered by this law are: Federal Pell Grants, Academic Competitiveness Grants, Stafford Loans, PLUS Loans and Federal Supplemental Educational Opportunity Grants (FSEOGs).

When you withdraw during your payment period (defined as the semester) the amount of Title IV program assistance that you have earned up to that point is determined by a specific formula. If you received (or AAU or parent received on your behalf) less assistance than the amount that you earned, you may be able to receive those additional funds. If you received more assistance than you earned, the excess funds must be returned by the school and/or you.

The amount of assistance that you have earned is determined on a prorata basis. For example, if you completed 30% of your payment period, you earn 30% of the assistance you were originally scheduled to receive. Once you have completed more than 60% of the payment period, you earn all the assistance that you were scheduled to receive for that period. The percentage that is earned is calculated by dividing the number of days that have lapsed from the first day of the semester to your last day of attendance by the total number of days in the payment period.

If you did not receive all of the funds that you earned, you may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, AAU must get your permission before it can disburse any Federal Student Loan funds. You may choose to decline some or all of the loan funds so that you don't incur additional debt. AAU may automatically use all or a portion of your post-withdrawal disbursement (including loan funds, if you accept them) for tuition, fees, and room and board charges (as contracted with the school). For all other school charges, AAU needs your permission to use the post-withdrawal disbursement. If you do not give your permission, you will be offered the funds. However, it may be in your best interest to allow AAU to keep the funds to reduce your student loan debt.

Your school must also get your permission before it can disburse directly to you any Title IV grant funds that are part of a post-withdrawal disbursement.

If you receive excess Title IV program funds that must be returned, AAU must return a portion of the excess equal to the lesser of:

1. Your institutional charges multiplied by the unearned percentage of your funds, or
2. The entire amount of excess funds.

AAU must return this amount even if it didn't keep this amount of your Title IV program funds.

If AAU is not required to return all of the excess funds, you must return the remaining amount. Any loan funds that you must return, you (or your parent for a PLUS Loan) repay in accordance with the terms of the promissory note. That is, you make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that you must return is called an overpayment. The amount of a grant overpayment that you must repay is half of the grant funds you received or were scheduled to receive. You must make arrangements with your school or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when you withdraw are separate from the AAU refund policy. **Therefore, you may still owe funds to AAU to cover unpaid institutional charges.** AAU may also charge you for any Title IV program funds that we were required to return. If you don't already know what AAU's refund policy is, you can ask us for a copy. We can also provide you with the requirements and procedures for officially withdrawing from school.

If you have questions about your Title IV program funds, you can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

## **PROFESSIONAL JUDGMENT**

In the event where special conditions or unusual circumstances should arise to the student or parent, the financial aid office at the Academy of Art University can review, evaluate, and exercise professional judgment on a case-by-case basis only. Special circumstances may include drastic change in income due to unemployment, medical or dental expenses not covered by insurance, elementary or secondary school tuition expenses, unusually high child care costs, or other changes affecting a family's financial situation. The student/parent must submit a letter of explanation along with information pertaining to the situation. Such documentation may include most recent pay stub with year-to-date earnings, employment termination letter, statement of unemployment benefits, etc. Also, the law authorizes us to use professional judgment to override the student's reported dependency status to make an otherwise dependent student independent. The student needs to submit a letter and must include statements from relatives, friends, etc. who have knowledge of the situation. The reason for the override must show *special extenuating circumstances*. For instance, a student who had not been in contact with his parents for over five years with a probable cause can be considered as extenuating circumstances. However, self-support is not a sufficient basis for a dependency override nor can we do an override simply because your parents are unwilling to provide their information on the application or documents needed for verification. It is our full discretion to approve or deny such request and our decision is final and cannot be appealed.

## **2009-2010 VERIFICATION POLICY AND PROCEDURES**

Selected students are provided a clear explanation of the documentation that is needed to satisfy the verification requirements in the "Notification of Incomplete Form". Submission deadlines and the consequences of failing to provide the requested information is thoroughly discussed. Students who do not complete their financial aid file within 14 days from the start of the semester (10 days for Summer semester) must pay any tuition/fee or room/board balance from personal resources. If verification is completed by the deadline listed below, federal funds will be disbursed and any credit balance will go directly to the student. Students are periodically reminded of any documents which have yet to be submitted. Students selected to verify the information used in the determination of their aid eligibility should submit the required documentation upon request. This will prevent a delay in the disbursement of their financial aid awards. No grants or Federal Subsidized Direct Loan proceeds are disbursed prior to receiving all required verification documents. The student is to comply with the verification requests noted in the comment section of the SAR/ISIR, and any additional requests made by the school. If additional documentation is required, the institution must request the documentation from the student in writing.

It is recognized that sometimes it is necessary to contact outside sources which could result in delays in obtaining the required documentation. Therefore, as long as the student is making every effort to obtain the documentation, the school's submission deadline is the same as the Federal submission deadline, the earlier of 120 days from the last date of attendance or September 27, 2010. Students who do not meet this deadline are not eligible for any Federal aid from the award year.

A student selected for verification cannot increase his/her eligibility if the corrected SAR/ISIR is submitted during the 120-day extension. Thus, if the student submits a corrected SAR/ISIR which has a lower EFC, therefore increasing his/her Federal Pell eligibility, the corrected SAR/ISIR is not permitted. The student's award would be based on the higher EFC from the previously submitted SAR/ISIR. If the corrections increase the EFC, therefore decreasing the student's Federal Pell eligibility, then the award must be based on the corrected SAR/ISIR.

When verification is complete, the institution disburses any funds that may have been withheld awaiting completion of the verification process. The institution will notify the student of his/her verification results only if the student's award or loan amount changes as a result of verification.

The institution is obligated to refer a Federal Pell or FSEOG overpayment case to the Department of Education. General information provided will include student's parent's and spouse's name, address, and Social Security Number, and the amount of the overpayment.

The institution may refer any instance in which there is reason to believe that an applicant has applied for Title IV, HEA program funds under false pretenses to state or local law enforcement agencies for investigation and report the referral of that instance to the Secretary of the Department of Education.

## **HOW CAN I GET ADDITIONAL INFORMATION ON FINANCIAL AID PROGRAMS?**

This brochure and the student guide prepared by the U.S. Department of Education should clear up most of your questions. But you will very likely have others, and answering them is the role of our financial aid staff. Please feel free to contact us as often as is necessary throughout the financial aid process.

Our financial aid office hours are as follows:

**Monday thru Friday**

**8:30 a.m. to 5:30 p.m.**

**Saturday**

**9:00 a.m. to 4:00 p.m.**

**(415) 618-6190**

We know that a great deal of information has been provided in these pages, and that many of the terms used and procedures may sound foreign to you. Remember, we have been at it for a long time, and we are eager to cooperate closely with you and your family to assure that everything possible is done to enable you to get the education you desire. Please let us know how we may help.

**GOOD LUCK AND REMEMBER, WE ARE HERE TO HELP.**