Welcome!
Types of Financial Aid

- HOPE
  - Scholarship
  - Grant

- TITLE IV AID
  - PELL Grant
  - FSEOG
  - Federal Work Study
  - Federal Student Loans

- SCHOLARSHIPS
HOPE (Helping Outstanding Pupils Educationally) is Georgia’s unique scholarship and grant program that rewards students with financial assistance in degree, diploma, and certificate programs.

HOPE is funded entirely by the Georgia Lottery for Education.

The HOPE Scholarship, Zell Miller Scholarship and HOPE Grant pay a certain amount for tuition. The amount of the award depends on the type of school the student is attending, the number of credit hours the student is enrolled in, and the specific rates of the college.

HOPE is not available for students with a Bachelor’s degree or higher.

Must be a Georgia resident for 24 months.

Must have a minimum 3.0 GPA at 30 semester hours checkpoint.

HOPE will only cover a percentage of the tuition and does not pay any fees.
HOPE cont’d

• HOPE SCHOLARSHIP (Associate programs)
  • The HOPE Scholarship program is for students that have demonstrated academic achievement and that are seeking a college degree. There are several ways to become eligible for the HOPE Scholarship, either by graduating from high school as a HOPE Scholar or by earning it while in college.
    • Does not pay for Learning Support classes
    • Ineligible for HOPE Scholarship seven years after date of high school graduation
HOPE

- HOPE GRANT (Certificate & Diploma programs)
  - The **HOPE Grant** program is for students seeking a technical certification or diploma, regardless of the student's high school grade point average or graduation date.

- Georgia's HOPE GED Grant is available to students who earned a General Education Development (GED/high school equivalency) diploma awarded by the Technical College System of Georgia after June 30, 1993.
  
  The Grant provides a one-time $500 HOPE award that can be used towards tuition, books, and other educational costs at an eligible public technical college or public or private college or university. Full-time enrollment is not required. Students must use their HOPE GED Grant award within 24 months of the date of their GED diploma.
PELL Grant

- The Federal Pell Grant Program provides need-based grants to low-income undergraduate students.
- Grant amounts are dependent on: the student's expected family contribution (EFC) (see below); the cost of attendance (as determined by the institution); the student's enrollment status (full-time or part-time); and whether the student attends for a full academic year or less.
- Students may not receive Federal Pell Grant funds from more than one school at a time.
TITLE IV AID

- FSEOG (Federal Supplemental Educational Opportunity Grant)
  - This program is for undergraduates with exceptional financial need. Pell Grant recipients with the lowest expected family contributions (EFCs) will be considered first for a FSEOG. Just like Pell Grants, the FSEOG does not have to be repaid.
TITLE IV AID

- Federal Work Study (FWS)
  - The FWS Program provides funds for part-time employment to help needy students to finance the costs of postsecondary education. Hourly wages must not be less than the federal minimum wage.
  - OTC’s current pay rate is $8.00/hr.
TITLE IV AID

- Federal Student Loans
  - Subsidized
  - Unsubsidized
Federal Direct Student Loans

Beginning Spring Semester 2012, Ogeechee Technical College began participating in the Direct Loan Program only.

A simple and flexible way to finance your education.

Direct Loans are:

- **Simple**- You borrow directly from the Federal Government.
- **Flexible**- You can choose from several repayment plans that are designed to meet the needs of almost any borrower, and you can switch repayment plans if your needs change.
Federal Direct Student Loans

What are Federal Direct Student Loans?
The Federal Direct Loan program allows students to borrow money at a low interest rate for educational expenses and MUST BE REPAYED.
Federal Direct Student Loans

Ogeechee Technical College will be participating in two types of Federal Direct Loans

- Subsidized
- Unsubsidized
Subsidized loans are need-based loans, which means the amount that you may be eligible to receive is based on your financial need. The federal government pays the interest that accrues on a loan while you are in school at least half-time (6 credit hours), during your grace period after you leave school or graduate, and during eligible deferment periods.
Unsubsidized loans are non-need based, which means that the amount that you may be eligible to borrow is not based on your financial need. If you receive an unsubsidized Direct Loan, you will be responsible for all of the interest that accrues on the loan from the date of disbursement forward.
Federal Direct Student Loans

The amount of your subsidized loan cannot exceed your financial need.

Cost of Attendance - EFC – Additional Aid = Unmet Need

You cannot borrow more than your Cost of Attendance.
Federal Direct Student Loans

Cost of attendance (COA)
- Federal Pell Grant (if eligible)
- HOPE
- other financial aid received (scholarships, work study, etc.)
- Subsidized Stafford Loan amount (if eligible)

= Amount of unsubsidized loan you receive (up to the annual maximum loan amount)

Depending on your financial need, you may receive both subsidized and unsubsidized loans for the same enrollment period, but the total amount of these loans may not exceed the annual loan limit.
Federal Direct Student Loans

Cost of Attendance Example

Academic Year: 2011-12

Estimated total price of attendance: $12,732
a. Estimated tuition and fees $2,058
b. Estimated room and board $6,750
c. Estimated books and supplies $900
d. Estimated other expenses (Personal expenses, transportation, etc.) $3,024

Estimated total grant aid: -$9,554
(Includes both merit and need based aid)

Estimated Unmet Need: $3,178
(Price of attendance minus grant aid)
# Federal Direct Student Loans

## Annual Loan Limits 2011-12/2012-13

<table>
<thead>
<tr>
<th>Dependent Students</th>
<th>Annual Loan Limits</th>
<th>Subsidized</th>
<th>Unsubsidized</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Year</td>
<td>$5,500</td>
<td>$3,500</td>
<td>$2,000</td>
</tr>
<tr>
<td>Second Year</td>
<td>$6,500</td>
<td>$4,500</td>
<td>$2,000</td>
</tr>
</tbody>
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<td>$10,500</td>
<td>$4,500</td>
<td>$6,000</td>
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</tbody>
</table>
Glossary

- **Independent student**: A student who is at least 24 years old, married, a graduate or professional student, a veteran or on active duty in the military for other than training or state purposes, an orphan, a ward of the court, or who has legal dependents other than a spouse.

- **Dependent student**: A student who does not meet any of the criteria for an independent student.

- **Cost of Attendance (COA)**: is the total amount it will cost you to attend school.

- **EFC (Expected Family Contribution)**: is an index used to determine your eligibility for federal student aid during an academic year. Your EFC is calculated during the processing of the FAFSA.

- **Additional Aid**: is any other financial aid that you receive to cover the costs of your education. Examples of this are: HOPE, PELL, other loans, grants and scholarships.

- **Unmet Financial Need**: is the amount of financial need remaining after your EFC and all other financial aid has been taken into account and subtracted from OTC’s Cost of Attendance.
Federal Direct Student Loans

Interest rates

- Direct Subsidized Loans for undergraduates with a first disbursement date between July 1, 2011 and June 30, 2013: 3.4%
- Direct Unsubsidized Loans for undergraduates: 6.8%

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Subsidized</th>
<th>Unsubsidized</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-2012</td>
<td>3.4%</td>
<td>6.8%</td>
</tr>
<tr>
<td>2012-2013</td>
<td>3.4%</td>
<td>6.8%</td>
</tr>
</tbody>
</table>
Federal Direct Student Loans

Information for 2012-13 Academic Year

• Direct Subsidized Loans for undergraduates with a first disbursement on or after July 1, 2012 will have a 3.4% interest rate.
  Note: On June 29, 2012, both houses of Congress passed a bill that will continue the 3.4% fixed interest rate for Direct subsidized loans made to undergraduate students through June 30, 2013.

• The U.S. Department of Education can no longer offer borrowers repayment incentives. (Up front interest rebate)
  Effective for loans first disbursed on or after July 1, 2012, the Department of Education is prohibited from offering any repayment incentives to Direct Loan borrowers, except interest rate reductions to borrowers who agree to have payments automatically electronically debited from their bank account.
Federal Direct Student Loans

Fees

All loans are subject to a 1% origination fee that is deducted proportionately from each disbursement that you receive. This means that the money you receive will be less than the amount that you actually borrow.
## Federal Direct Student Loans

### Fees Example:

<table>
<thead>
<tr>
<th>Gross Disbursed</th>
<th>$3,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Fee (1%)</td>
<td>-$35</td>
</tr>
</tbody>
</table>

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Net Disbursed $3,465

You will only receive $3,465, but will be responsible for borrowing $3,500.
Federal Direct Student Loans

Students must meet loan eligibility requirements:

- **Citizenship** - You must be a US citizen or an eligible non-citizen

- **Enrollment** - You must be accepted for enrollment and enrolled at least half-time (6 credit hours) in an eligible program leading to an associate degree, diploma or eligible certificate program.

  (Please note that not all certificate programs are eligible for Title IV funding-PELL or Loans. All Diploma and Associate Degree programs are Title IV eligible. Please check the Programs of Study list.)
Federal Direct Student Loans

Eligibility Requirements Cont’d

• Academic - You must be maintaining satisfactory academic progress. Please refer to the SAP policy.

• Non-Default - You must not be in default on an educational loan or owe a refund on an educational grant.

• High School - For 2012-13 Year You must have a high school diploma or GED
SAP Information

- Students must maintain a cumulative grade point average (GPA) of at least 2.0 to remain in good standing.
- If you go on Academic suspension, you automatically go on Financial Aid suspension.
- Financial Aid Appeals
  - Students have the right to appeal their suspension
  - Students have to attend a Financial Aid Appeals Briefing—dates and times are posted on website
  - May be place on OT (one-term) or AP (Academic Plan)

The complete SAP policy is posted online and in loan packet and located in Financial Aid office.
Federal Direct Student Loans

Eligibility Requirements Cont’d

- **Law** - You must meet all of the other Federal Direct Loan program eligibility requirements prescribed by law at the time your loan application is processed.

- **Financial Need** - You must successfully complete the FAFSA (Free Application for Federal Student Aid) and submit any required documentation to the OTC Financial Aid office to complete your student financial aid file.
Federal Direct Student Loans

Eligibility Requirements Cont’d

• **Loan Counseling**
  • You must complete [Loan Entrance Counseling](#) before student loan funds can be disbursed to your account.
    • You must complete Entrance counseling for OTC.
  • In addition, you must complete [Loan Exit Counseling](#) if your enrollment drops below 6 credit hours. (This means if you drop classes or graduate your current program of study)
    • Dropping classes may result in you owing some or all of your refund back to the school. You have to meet the eligibility requirements to be entitled to your full refund amount.
Federal Direct Student Loans

Misc. Information

• If you are a first year, first time borrower, your first disbursement will not be made until you complete the Loan Entrance Counseling and can’t be made until 30 days after the first day of your enrollment period.
  • Disbursement, as shown on your Banner account, is the date that your financial aid information is released to the Business Office for refund processing. The Business Office then has 14 days to process your refund.

• You may cancel or reduce your loan amounts by completing the Loan Reduction/Cancellation form.

• One-term loans—if you are receiving a loan for a period deemed as one-term, your loan will have two disbursements.
Federal Direct Student Loans

Steps to Apply For Loans

1. If you have not already applied, complete the FAFSA (Free Application for Federal Student Aid) at www.fafsa.ed.gov using your four-digit federal PIN number. OTC’s federal school code is 030300.
   *If you do not have a federal PIN number, go to www.pin.ed.gov to apply

2. If chosen for Verification, submit all missing information.
   *Loans cannot be determined and will not be processed until the verification process is complete.

3. Complete the OTC loan application in blue or black ink and return to the Financial Aid Office.
   *Incomplete forms or forms not completed in ink will not be processed.
Federal Direct Student Loans

Steps to Apply For Loans (cont’d)

4. Complete the online ENTRANCE Counseling at https://studentloans.gov
   *If you have completed ENTRANCE Counseling for a prior school year or for a prior school, the site will alert you of this. HOWEVER...you must continue and complete the ENTRANCE Counseling for OTC. All OTC students are “Undergraduate” students.

5. Complete the MPN (Master Promissory Note) at https://studentloans.gov
   *If you have completed an MPN within the last ten years, you should not have to complete another MPN at this time. However, if there has been a year or more of loan inactivity, your MPN may be in an inactive status and further action may be required.

Loan application review, processing and awarding will be 4-6 weeks.
Financial Aid Awards

Award Notification

The Financial Aid Office will put together a financial aid award package for you and you will be notified via your student email account when it is available to viewed on your Banner account.

The award will explain how much and which forms of aid (including loans) that you are qualified to receive.

You are not obligated to accept all of the aid or borrow the full amount of any loans listed in the award.
**Federal Direct Student Loans**

Sample Financial Aid Award Package

Total Cost of Attendance $12,732
Expected Family Contribution (EFC) - $0

**Financial Need** $12,732
Federal Pell Grant - $5,500
HOPE Grant - $1,500
Federal Work-Study - $2,000
Outside Scholarship - $1,000

**Federal Direct Loan-Subsidized** $2,732

*Your unmet need amount would be $2,732 and this is the amount that you would be awarded a Federal student subsidized loan.*

Total Award $12,732
This award package shows aid funds available that match your financial need.
Federal Direct Student Loans

You must repay your loans.

You must repay the full amount of your loans, even if you:

- Do not complete your program of study, or do not complete the program within the normal time for completion
- Cannot find employment after graduation, or
- Are not satisfied with or did not receive from your school the education or other services that you paid with your loan.
Federal Direct Student Loans

Repayment Options

- **Standard**
  - Fixed payments for up to 10 years
  - Payment must be at least $50 per month
  - If you do not choose a repayment plan, you will be placed into this one

- **Graduated**
  - Payments start out relatively low and increase, usually every two years
  - Payments up to 10 years
  - Payments must at least cover the interest that accumulates on loans between payment
  - Tailored to individuals who expect their income to increase over time—recent college graduates
Federal Direct Student Loans

- Extended
  - Fixed or graduated monthly payments
  - Payments up to 25 years
  - Monthly payment is usually lower than that of Standard Plan
  - Borrowers must have more than $30,000 in outstanding loans

- Income-Contingent Repayment Plan (ICR)
  - Have up to 25 years to repay
  - Unpaid portion will be forgiven
  - Monthly payments based on annual income (and that of spouse), family size, and total of Direct Loans
  - You may have to pay income tax on forgiven amount
Federal Direct Student Loans

• Income-Based Repayment (IBR)
  - Have 25 years to repay
  - Unpaid portion will be forgiven
  - Monthly payments are capped at 15% of discretionary income
  - You must have a partial financial hardship
  - You may have to pay income tax on amount forgiven

For more information on repayment options, go to: www.studentaid.ed.gov/repaying
Federal Direct Student Loans

DEFAULT

Generally default occurs on a federal student loan when a borrower doesn’t make a payment for 270 days.

NO ONE SHOULD GO INTO DEFAULT

Don’t ignore debt. It won’t go away.

A loan going into a delinquent or default status can have a negative impact on your credit and is one of the only forms of debt that cannot be discharged in a bankruptcy claim.
Federal Direct Student Loans

Consequences of Default
• Payment of entire loan balance (principal and interest) becomes due immediately
• Garnished wages and/or federal/state tax returns
• Withheld Social Security retirement benefits and disability benefits
• Additional charges, late fees, and collection costs
• Lawsuits
• Ineligibility for additional student aid
• Damaged credit rating and lower credit score (which could prevent obtaining a mortgage, buying a car, or borrowing other loans in the future)
• Loss of eligibility for loan deferments (such as for in-school, unemployment, etc.)
Federal Direct Student Loans

Top Ten Ways to Prevent Defaulting on a Student Loan

1. Understand your rights and responsibilities regarding your repayment obligation as well as your repayment options.
2. Borrow for college expenses only. Borrow only the amount you need and only what you can reasonably expect to be able to repay.
3. Keep all records regarding your loan. Make copies of all letters, canceled checks, and any forms you sign.
4. Notify your lender or servicer when you have a change of address, phone number, or name, or if you change schools or your enrollment status.
5. Seek help as early as possible if you have any difficulty maintaining your student loan repayment arrangement.
6. If you have any questions, talk to your lender or student loan guarantor about the particular terms of your loan.
7. Keep credit card debt to a minimum or avoid credit card debt completely.
8. Create and maintain a budget that is within your monthly income.
9. Consider making nominal student loan payments while in school. This will reduce the amount you owe after graduation.
10. Make loan payments on time.
Federal Direct Student Loans

FAQs
Federal Direct Student Loans

I am transferring to OTC and I already have loans in place at another school, will that loan transfer to OTC?

No. Financial Aid doesn’t transfer from one institution to another. You must reapply for aid at OTC using our Direct Loan Application. You must also request that your current school cancel your loan with them. OTC will not be able to certify a loan if you have disbursements at your current school.

In addition, you will need to complete Entrance Loan Counseling.

If you have already completed a MPN, you will not need to complete another one—you may borrow on a current MPN for up to 10 years.
Do I have to accept the full amount offered?

No. You need to seriously consider what your financial needs are and borrow wisely. You may choose to accept the full amount, a partial amount or you may decline loans completely.

This is a choice that you need to make with the future in mind. You will have to repay any loans.
Federal Direct Student Loans

How long does it take to process my loan application?

It will generally take about 4-6 weeks to completely process your loan information, so please apply early. Loans are new to us...please be patient and allow extra time for processing.

Do I need to be enrolled a specific number of hours?

Yes. You will need to be enrolled at least half-time, which is 6 credit hours.
What can my loan money be used for?

You may use your loan money for any expense incurred as it relates to your education. This can include, but is not limited to: tuition, fees, books, supplies, transportation, living expenses, etc.

When will I have to pay back my loan?

There is a six month grace period after you graduate, leave school or drop below half-time enrollment.
Federal Direct Student Loans

Do I have options for choosing a repayment plan?

Yes. There are several repayment plans from which to choose. During your grace period, you will receive information about repayment options, as well as the date repayment will begin.

However, you are responsible for beginning repayment on time even if you don’t receive this information. It is your responsibility to keep track of your loan status.
Where can I find information on who services my federal loans?

Information on all of your federal loan debt can be accessed via the National Student Loan Data System (NSLDS) at http://www.nslds.ed.gov
Federal Direct Student Loans

Websites

Student Aid on the Web
www.studentaid.ed.gov
Military
www.studentaid.ed.gov/military
FAFSA on the Web
www.fafsa.ed.gov
National Student Loan Data System (NSLDS)
www.nslds.ed.gov
StudentLoans.gov
www.studentloans.gov
Federal Direct Student Loans

www.studentaid.ed.gov

Tools and Resources

Publications >GO

Loan Section
There are several scholarships available to students

- To Apply, please visit www.ogeecheetech.edu
- GIVE TO OTC
  - Scholarships

Application Deadline: July 16, 2012

Students interested in applying for a scholarship are invited to attend a workshop on how to complete the application, and what information should be included in the essay and letters of reference. In addition, a scholarship selection committee member will be on-hand to offer pointers and tips.

July 10, 2012 @ 4:00PM  Room 325
**Financial Aid Advisors**

Your Financial Aid File is maintained by your advisor according to your last name.

- A-Do  Melba Williams
- Dp-La  Denise Roberts
- Lb-Ro  Ann Simmons
- Rp-Z  Ciara Peebles

However, anyone in Financial Aid can assist you with general questions and information.

Please sign in on the NEMO-Q, take a number and wait to be called.
Refunds

Beginning with Spring Semester 2012, Ogeechee Technical College began using a Reloadable Refund Debit Card for all of your financial aid refunds.

The cards will be maintained by SunTrust and can be used anywhere Visa Debit cards are accepted.

There is a SunTrust ATM machine located in the Health Sciences-South Building (Student Center) for your convenience.

- The Business Office is responsible for any financial aid refunds. Any questions that you may have regarding the refund cards need to be directed to that office.

- Students are automatically enrolled in the Debit Card Program. You can choose not to use the card by completing an Opt-Out Authorization Form which is located in the Business Office.

- The Reloadable Refund Card will be mailed to the address that is currently in Banner. Please check your information to be sure that it is correct.

NOTE: Refunds will only be loaded on cards that have been activated.
Business Office Contact

For Questions Understanding Your Banner Account and/or Refunds in the Business Office, please contact:

HEIDI FINCH
Student Banner Specialist
912-681-6955
Federal Direct Student Loans

Questions?