



Specific Types of Aid and Determining Eligibility

| | |
|---|---|
| How eligibility is determined and how payments are made..... | 2 |
| Gift Aid – Grants, Scholarships, and Benefits | 2 |
| Federal Pell Grants | 3 |
| Federal Supplemental Education Opportunity Grant (SEOG) | 3 |
| Massachusetts State Grant | 3 |
| Vocational Rehabilitation | 4 |
| Veterans Benefits..... | 4 |
| Tax Benefits | 4 |
| Loans | 4 |
| Federal Subsidized and Unsubsidized Stafford Student Loans..... | 4 |
| Federal Parent Loan for Undergraduate Students (PLUS) | 6 |
| Massachusetts No-Interest Loan | 7 |
| Creative Education Loan | 7 |
| Home Equity Loans | 7 |
| Federal Work-Study | 7 |
| Part Time Job Assistance | 7 |
| Other Aid Programs | 7 |

Details about Financial Aid Programs – How eligibility is determined and how payments are made

For all programs

It is the policy of The New England Institute of Art to defer payment on your bill for an amount that will be covered by Financial Aid as long as these requirements are met:

1. All of the required paperwork has been completed.
2. The student's eligibility for the aid type and amount has been confirmed.
3. The student has agreed to a student financial plan for paying any balance due to the college not covered by financial aid.

Gift Aid – Grants, Scholarships, and Benefits

Federal Pell Grants

These grants can assist you to pay for a portion of your education. For the year starting July 1, 2000, Pell Grants can be up to \$3,300 per award year. You can find out if you are eligible for a Pell Grant, and for how much, by completing the Free Application for Federal Student Aid (FAFSA). The Federal Pell Grant is based on the student's need as determined by a formula provided by the US Department of Education. When you complete the FAFSA, and indicate The New England Institute of Art as one of your school choices, the school will be able to receive an ISIR (Institutional Student Information Report) electronically. The ISIR will tell us whether or not you are eligible for a Federal Pell Grant. The ISIR also authorizes us to receive the Pell Grant funds on your behalf. Your Student Financial Plan, which you will receive from the Student Financial Services Office, will tell you how much you will receive from the Federal Pell Grant Program. Those funds are then credited to your account, and that amount is deducted from the amount that you will need to pay. Your account is credited about 10 days before the beginning of each semester in which you receive a Pell Grant, if you are registered for that semester, and if all of your financial aid paperwork has been completed.

Federal Supplemental Education Opportunity Grant (SEOG)

These grants can assist you to pay for a portion of your education. The funds for this are limited and financial need is a factor. These grants are usually given to the neediest students based on the Department of Education's formula for determining need, as indicated on the ISIR (see Pell Grant section above for information about the ISIR). Since there is a limited amount of funds, the earlier you apply, the more likely you are to receive an SEOG. Your Student Financial Plan, which you will receive from the Student Financial Services Office, will tell you how much you will receive from the Federal SEOG Program. If you receive an SEOG, the funds are credited to your account, and that amount is deducted from the amount that you will need to pay. Your account is credited about 10 days before each semester in which you receive an SEOG, if you are registered for the required number of credits for that semester, and if all of the financial aid paperwork has been completed.

Massachusetts State Grant

When a Massachusetts resident completes a FAFSA (Free Application for Federal Student Aid) by the deadline date (May 1 preceding the award year) the information is sent to the Commonwealth of Massachusetts, Office of Student Financial Assistance, to determine if the applicant is eligible for a Massachusetts State Grant. Based on State guidelines, the school will notify eligible students of their eligibility and amounts. More information is available through the MassComm Student Financial Services office. Your Student Financial Plan, which you will receive from the Student Financial Services Office, will tell you how much you will receive from the State Grant Program. If you receive a State Grant, the funds are credited to your account, and that amount is deducted from the amount that you will need to pay.

Vocational Rehabilitation

Some students may be eligible for Vocational Rehabilitation benefits, based on physical limitations or other needs. Your State or County Department of Social Services should be able to provide you with more information. The New England Institute of Art will accept Vocational Rehabilitation benefits, and the amount of the benefit will be deducted from the amount that the student needs to pay, after all of the paperwork has been completed.

Veterans Benefits

Massachusetts Communications College is an eligible institution for veteran's benefits. If you are a veteran and are eligible for VA Education benefits, you should start the application process to receive your benefits as soon as you decide to attend school. Generally, the amount of the veteran's benefits are not deducted from the student's payments; rather, veteran students use these benefits to pay for some of their living expenses. You can call your local VA office for more information about your individual eligibility. There is a link to the VA website on The New England Institute of Art's Financial Aid page

Tax Benefits

Students, and parents of dependent students, may be eligible to apply for the Hope Scholarship Tax Credit and Lifetime Learning Credit, which are tax credits on next year's tax return. The tax credits are for a portion of payments for tuition or other eligible education expenses. The payments can include payments made through loan funds. On the Financial Aid page, there is a link to the US Department of Education's website where you can read more about this important benefit.

Loans

Federal Subsidized and Unsubsidized Stafford Student Loans

These are loans that you must repay. Generally all students are eligible for these types of loans if they meet basic Federal eligibility requirements, and have not utilized all of their lifetime loan limits at previous schools. Annual loan limits depend on your grade level and your dependency status. Loan limits for the time you will be in school further depend on your program of study, and how you progress through your program.

The difference between "subsidized" and "unsubsidized" is that the Federal Government pays the interest on the Subsidized Stafford Loan while the student is enrolled in school at least half time, and during the six month grace period; the student pays the interest on the Unsubsidized Stafford Loan. Almost all students who meet Federal eligibility requirements can receive a Stafford Loan to pay for part of the education costs. The Subsidized Loans are available to students with remaining need after the Expected Family Contribution, any Grants or Scholarships, and some other forms of aid, are deducted from the total of direct and indirect cost of education. Students who have no remaining need can receive the Unsubsidized Stafford Loan. Independent Students may receive an additional Unsubsidized Stafford Loan. Dependent Students whose parents are unable to borrow a PLUS Loan can borrow at the Independent student levels.

Here are the academic year (three quarter) loan limits:

| Grade Level | Dependent Student | Independent Student |
|-------------|-------------------|---|
| 1 | \$2,625 | \$6,625 (at least \$4000 is unsubsidized) |
| 2 | \$3,500 | \$7,500 (at least \$4000 is unsubsidized) |
| 3-4 | \$5,500 | \$10,500 (at least \$5000 is unsubsidized) |

Dependent students whose parents are unable to borrow a PLUS loan may apply for the Independent amounts.

There are fees deducted from the loan, which are passed on to the federal government, that reduce the loan amount received; the fees never exceed 4 percent of the amount disbursed and are generally less. The interest rate is variable, with a maximum rate of 8.25 percent. The minimum monthly payment is \$50, and the maximum repayment time is ten years.

Payments on the loan begin six months after the student graduates, withdraws from school, or starts attending less than half time. This six months is called the "grace period". During the Student Financial Planning process we will recommend the amount that the student should borrow for each academic year and for the program. If you would like to see an estimate of what the monthly repayment amount will be after graduation, there is a link to a repayment calculator on The New England Institute of Art's Financial Aid page

Dependent students may borrow up to \$23,000 in Federal Stafford Loans for their total undergraduate career, and independent students may borrow up to \$46,000. If you have borrowed Stafford Loans to attend previous schools, your limits may be less at the Art Institute.

Federal Stafford Loan payments are usually sent to the school through a process called electronic funds transfer (EFT). This means that the funds are credited directly to your account each quarter to pay part of your educational expenses. You receive a receipt from the school at the time that the account is credited. Some lenders send a check instead of sending the funds via EFT. This requires a borrower signature before the funds are deposited. If you choose one of the Art Institute's preferred lenders, and the EFT method of payment, we will be able to defer your payment until the loan funds are received.

The amounts of the Federal Subsidized and Unsubsidized Stafford Loans will be shown on your student financial plan. The Stafford Loan payments are credited to your account in equal payments for each quarter in the loan period (usually three quarters) if you are registered for the required number of credits for that quarter, and if all of the financial aid paperwork has been completed. The amount credited is the gross amount of the loan minus the origination fee of up to four percent. The Stafford Loan payment for the first quarter that you attend school will be credited to your account after 30 days of the quarter have passed, if you are still in school and taking six or more credits, and if all of the required paperwork has been completed. In subsequent quarters, the loans will be credited about ten days before the beginning of the quarter, as long as you are registered for six or more credits, and if all of the financial aid paperwork has been completed.

Before your first loan payment can be credited to your account, you must participate in an Entrance Interview. This is a loan counseling session during which you will learn more about your loan, and your rights and responsibilities associated with the loan. When you are ready to graduate, or if you decide to withdraw from school, you will need to participate in an Exit Interview to review your rights and responsibilities, and to discuss repayment options. The Entrance and Exit Interviews are both available on-line through the Loan Counseling link on The New England Institute of Art's Financial Aid page

Federal Parent Loan for Undergraduate Students (PLUS)

A parent of a dependent student, who passes a simple credit check, can borrow the difference between the student's cost of attendance and the student's other aid. This is a low interest rate loan. The interest rate is variable, with a maximum rate of 9%. There are fees that are deducted from the loan and passed on to the Federal Government; the fees reduce the amount of the loan disbursed; the fees never exceed 4% of the amount disbursed and are generally less.

These are loans that must be repaid. The minimum monthly payment is \$50, and the maximum repayment time is 10 years. Payments on the loan begin about 60 days after the loan has been fully disbursed.

The borrower for this loan can be the natural or adoptive parent of a dependent student. PLUS Loan borrowers are subject to a credit check. The college's recommended lenders can perform an "instant" credit check over the phone. Your Student Financial Planner can assist you with this process.

Dependent students whose parents are not able to borrow a PLUS Loan may borrow the Unsubsidized Stafford Loan at the higher Independent student limits.

Federal PLUS Loan payments are usually sent to the school through a process called electronic funds transfer (EFT). This means that the funds are credited directly to the student's account each semester to pay part of the student's educational expenses. The borrower will receive a receipt from the school at the time that the account is credited. Some lenders will send a check instead of sending the funds via EFT. This requires a borrower signature before the funds are deposited. If you choose one of The Art Institute's preferred lenders, and the EFT method of payment, we will be able to defer the school payment due until the loan funds are received.

The PLUS Loan payments are credited to your account in equal payments for each semester in the loan period (usually 2 semesters). The amount credited is the gross amount of the loan minus the origination fee of up to 4%. The loans will usually be credited about 10 days before the beginning of the semester, if the student is registered for 6 or more credits for that semester, and if all of the paperwork has been completed.

Massachusetts No-Interest Loans

These are loans that are made through funding from the Commonwealth of Massachusetts. Funds are very limited. The school will offer these loans only to borrowers who meet the Commonwealth's eligibility criteria, and until funds are no longer available. More information is available from the Student Financial Services Office.

Creative Education Loan

This is an alternative education loan that can supplement a student's other aid. Usually a co-borrower may be required. The interest rate is based on the credit of the borrower, or the co-borrower if there is one. In many cases, this private loan program will have a lower interest rate than other private loan programs. In addition the repayment terms are flexible. If a borrower receives a Stafford Loan and a Creative Education Loan from the same lender, the borrower will receive combined billing for both loans. This loan is from a private lending source, and is subject to continued funding availability. More information and an application are available from the Student Financial Services office.

Home Equity Loans

If you or your parents own a home, they/you may apply for a home equity loan to help finance your education. Interest on home equity loans may be tax deductible.

Federal Work-Study

Federal Work-Study is a program that provides jobs to some students who may still have need remaining after all other aid is awarded. Jobs are posted at the school and the student will need to apply. Federal Work-Study jobs are either on-campus providing service to other students, or off-campus through a non-profit agency providing community service. A percent of the student's wages is paid through Federal funds. The Work-Study funds are paid directly to the student, and can be used for personal expenses related to education, or for living expenses. You may choose to have your Work-Study wages credited to your account to pay tuition and other fees. This is a limited program and generally the earlier you apply the more likely you are to receive this work.

Part Time Job Assistance

The New England Institute of Art maintains a list of local companies that are looking for part time workers. Many of these jobs have flexible hours. When you have enrolled in school, you should contact the employment assistance office for more information.

Other Aid Programs

It is the policy of The New England Institute of Art to defer payment on the student's bill for an amount that will be covered by any aid if all of the required paperwork has been completed, and the student's eligibility for the aid type and amount has been confirmed. While the Student Financial Services office will assist the student in applying for any aid for which the student may be eligible, it remains the student's responsibility to make sure that the aid funds are received.