

FINANCIAL INFORMATION

BOOKLET

2024-25



BLACKWOOD

Philosophy and Mission

The Financial Services Office supports Pennco Tech's mission by diligently working to provide financial assistance, information and advice to students and parents in order to remove barriers in meeting their higher education expenses, all while fulfilling their responsibility as stewards of Federal, State, and Institutional funds

Address

99Blenheim-Erial Rd, Blackwood, NJ 08012

Hours of Operation

Monday, Wednesday, Thursday 8:00am to 8:00pm

Tuesday & Friday 8:00am to 3:00pm

July 2024

Table of Contents

FINANCIAL AID..... - 5 -

- What’s a Grant? - 5 -
- What’s a Scholarship? - 5 -
- What’s a Student Loan?..... - 5 -

FINANCIAL AID PROGRAMS..... - 6 -

STATE PROGRAMS IN NEW JERSEY..... - 7 -

APPLYING FOR AID..... - 9 -

ELIGIBILITY CRITERIA FOR FEDERAL AID..... - 9 -

THINGS TO KNOW ABOUT THE APPLICATION PROCESS - 10 -

- FAFSA – Free Application for Federal Student Aid - 10 -
- Verification Process - 11 -
- Are you considered a Dependent Student for Federal Aid purposes? - 12 -
- Special & Unusual Circumstances - 13 -

DETERMINING ELIGIBILITY..... - 14 -

- Student Aid Index..... - 14 -
- Maximum Duration of Pell Eligibility (Lifetime Eligibility) - 14 -

COST OF ATTENDANCE - 15 -

- Components of Cost of Attendance at Pennco Tech - 15 -
- Definitions for Cost Of Attendance - 16 -

HOW TO GET AN ESTIMATE ON COST & AID?..... - 17 -

- Net Price Calculator Tool for Pennco Tech Bristol Campus - 17 -
- College Financing Plan..... - 17 -
- College Affordability & Transparency Center - 17 -

MAINTAINING ELIGIBILITY - 17 -

- Satisfactory Academic Progress..... - 17 -
- Pell Recalculation Date..... - 18 -
- Return of Title IV Funds - 18 -
- Credit Balance - 19 -
- Impact of Withdrawals, Incomplete and Leave of Absence..... - 20 -

STUDENT RIGHTS & RESPONSIBILITIES - 20 -

ADDITIONAL FEDERAL DIRECT LOANS INFORMATION - 22 -

What is interest?	- 22 -
LOAN TYPES	- 22 -
Annual Loan Limits	- 23 -
Aggregate Loan Limits	- 23 -
Requesting a Loan.....	- 23 -
First-time borrowers	- 24 -
Disbursements	- 24 -
Exit Counseling.....	- 24 -
Repayment	- 25 -
Consequences of Student Loan Default	- 28 -
<i>GLOSSARY OF FINANCIAL AID</i>	<i>- 28 -</i>
<i>HELPFUL LINKS & RESOURCES.....</i>	<i>- 33 -</i>
<i>STEPS TO APPLY FOR FINANCIAL AID.....</i>	<i>- 34 -</i>

FINANCIAL AID

Financial aid refers to a variety of financial aid sources are available to help you pay for college or career school. It is money in the form of grants, scholarships, work-study, loans, or a benefit from completing community service or military service to help students pay for their education.

What's a Grant?

A grant is a form of financial aid that doesn't have to be repaid (unless, for example, you withdraw from school and owe a refund).

What's a Scholarship?

Many nonprofit and private organizations offer scholarships to help students pay for college or career school. This type of free money, which is sometimes based on specific criteria like academic merit, talent, or a particular area of study, can make a real difference in helping you manage your education expenses.

What's a Student Loan?

When you receive a student loan, you are **borrowing money** to attend a college or career school. **You must repay the loan** as well as interest that accrues. It is important to understand your **repayment options** so you can successfully repay your loan. All loans have consequences to default.

What are Veterans Benefits?

There are special aid programs or additional aid eligibility for serving in the military or for being the spouse or child of a veteran.

FINANCIAL AID PROGRAMS

Note: A FAFSA or Federal Application for Federal Student aid must be completed at www.studentaid.gov to apply for all federal aid.

At Pennco Tech, the following financial aid programs are available to students who qualify:

Federal Pell Grant is an award, a gift aid in form of a grant that does not have to be repaid. Funds are awarded to students with “exceptional need” as defined by the Department of Education’s Student Aid index.

Supplemental Educational Opportunity Grants (SEOG) This grant helps financially needy eligible students, who have not earned a bachelor's or professional degree, meet the cost of postsecondary education. The program gives priority to students who receive Federal Pell Grants. The award is made by the school based on the availability of funds. A FSEOG does not need to be repaid.

Federal Direct Subsidized Loan

This loan program is provided by the U.S. Department of Education, to students who demonstrate a need. The US Dept of Education pays the interest while the borrower is in school, during grace and deferment periods; students must be attending at least half-time and have financial need. The loan comes with a fixed interest rate, that is set annually for new borrowers when they originate the loan.

Federal Direct Unsubsidized Loan

This loan program also provided by the U.S. Department of Education. In this loan program the borrower is responsible for all interest; must be enrolled at least half-time. Unlike the Subsidized Loan program, no financial need is required. The loan comes with a fixed interest rate, that is set annually for new borrowers when they originate the loan.

Federal Direct Parent PLUS Loans for Dependent Students

This loan program is provided by the U.S. Department of Education to parents of dependent students, the student must be enrolled at least half-time. The loan comes with a fixed interest rate, that is set annually for new borrowers when they originate the loan.

STATE PROGRAMS IN NEW JERSEY

The New Jersey Higher Education Assistance Agency (HESAA Program) is the only New Jersey state agency with the sole mission of providing students and families with financial and informational resources for students to pursue their education beyond high school.

Most of the below programs offered evaluate the financial need of applicants. Some are administered by the state but use federal funding. You can find the full eligibility criteria and program details at hesaa.org.

New Jersey Governor's Industry Vocations Scholarship (NJ-GIVS) for Women and Minorities

The Governor's Industry Vocations Scholarship (NJ-GIVS) pays up to \$2,000 per year or up to the cost of tuition in an eligible certificate or degree program, less any federal, state, or institutional financial aid available. The scholarship is funded by the Schools Development Authority (SDA) and administered by HESAA. Funding is limited and awards are made on a first-come, first-served basis. To receive an award all eligibility requirements must be met.

- To receive NJ-GIVS you must be a female or a minority group member. Minority groups include the following as defined at N.J.A.C. 17:46-1.2:
- Must file the Free Application for Federal Student Aid (FAFSA) and have an annual household income below \$60,000.
- To apply, please fill out an application online by visiting www.njgrants.org
- New Jersey grants and scholarships are limited to U.S. citizens, eligible non-citizens, and undocumented students who meet specific requirements to qualify as an NJ

Dreamer who can complete the NJ Alternative Financial Aid Application.

Undergraduate, G - Graduate 18HESAA State Aid Programs

- New Jersey grants and scholarships are limited to New Jersey residents.
- Students must have a high school diploma or GED equivalent to be eligible. NJ

Standard NJCLASS Loans

NJCLASS is a supplemental student loan program administered by HESAA for NJ students to provide students with an additional affordable source of funds for meeting college expenses not already covered by other forms of student aid.

NJCLASS provides fixed-rate loans for undergraduate and graduate students. There are several repayment options, subject to availability. The maximum repayment period is 20 years for undergraduate loans.

Loan Features:

- Choice of repayment options and no prepayment penalties
- Student can be a party to the loan
- Borrow only the amount you need for college – after all your other eligible grants and federal loans are considered
- Most NJCLASS repayment plans offer lower fees and interest rates than Federal Parent PLUS Loan
- Loans are available for New Jersey students attending college anywhere, in-state, or out-of-state * For further information or to apply online, visit: www.njclass.org.

Options	Percentage Rate	Payment Requirement
10-Year Fixed	5.99% APR ¹	Payments of principal and interest while in school
15-Year Fixed	6.99% APR ¹	Payments of interest while in school
20-Year Fixed	7.99% APR ¹	Full deferral until out of school

Loan Administration Fee:

¹ The APR assumes a single loan disbursement and a 4 year in school deferment.

* Additional .25% interest rate reduction with an automatic recurring monthly repayment plan of principal and interest. Subject to the availability of funds.

APPLYING FOR AID

Federal Application for Federal Student Aid (FAFSA)

To apply for financial aid, you must complete a FAFSA. Applications are available online at <http://studentaid.gov> and must be completed in order to receive consideration for financial aid resources.

Before attempting to complete the FAFSA, a student will need to create an FSA ID and password. The FSA ID and password will allow the student to complete and sign the application electronically. For a continuing applicant, a student will access FAFSA Renewal on the web. Parents of dependent students will also need to also create an FSA ID and password so that they too can electronically complete and sign the FAFSA.

ELIGIBILITY CRITERIA FOR FEDERAL AID

- a. Be a citizen or eligible noncitizen of the United States.
- b. Have a valid Social Security Number (Students from the Republic of the Marshall Islands, Federated States of Micronesia, and the Republic of Palau are exempt from this requirement.)
- c. Have a high school diploma or a General Education Development (GED) certificate or have completed homeschooling or equivalent.
- d. Maintain satisfactory academic progress as defined in the academic catalog.
- e. Not owe a refund on a federal student grant or be in default on a federal student loan.

THINGS TO KNOW ABOUT THE APPLICATION PROCESS

FAFSA – Free Application for Federal Student Aid

- **It is important that a student file the FAFSA.**
- Students who complete their FAFSA application on the web will receive a confirmation number at the time they submit their application.
- The confirmation page can be printed out or the applicant can have this page sent to their e-mail address as verification of having completed the application.
- The federal processor will also send an e-mail verifying that the application was received and that it will be forwarded to the school(s) listed on the application.
- The email will also provide instructions on how the application data can be accessed in order to verify information or to make changes.
- For FAFSA filers, the IRS Direct Data Exchange will allow you to update your 2024-25 FAFSA with tax information you submitted to the IRS.
- Consult the FAFSA website (www.studentaid.gov) for additional information.

Federal Supplemental Educational Opportunity Grant (Federal SEOG)

If you are a student with exceptional financial need, you may be eligible for a Federal Supplemental Educational Opportunity Grant (Federal SEOG):

- The 2024-25 Federal SEOG provides up to a maximum of \$200 per academic year and \$100 per payment period, depending on your Student Aid Index as per your FAFSA application.
- Priority consideration is given if you are eligible for a Federal Pell Grant and have the maximum financial need - a Student Aid Index less than or equal to zero for award year 2024-25).
- Unlike the Federal Pell Grant, funds are limited, so there is no guarantee you will receive one. Due to limited funding, Federal SEOG are awarded on a first come, first serve basis.

Verification Process

Verification is a process which requires institutions to verify the accuracy of the information provided on a student's FAFSA in an effort to ensure that Federal Aid is distributed to those who are eligible. If a student's FAFSA is selected for verification by the U.S. Department of Education, the student and/or parent are required to provide documentation to Pennco Tech verifying the information entered on their FAFSA.

- **Federal student aid applications can be selected for Verification by the Department of Education. The required documentation varies depending on the reason(s) the application was selected.**
- Typically, if a FAFSA is selected the student and/or parent(s) must complete a Verification Worksheet and submit IRS Tax Transcripts or signed Federal Income Tax Returns, including W-2 statements.
- Students may need to provide documentation as part of verification that verifies the student's identity and high school completion. To satisfy this requirement, the applicant must appear in person, present acceptable valid government issued photo identification, sign the Statement of Educational Purpose, and present acceptable documentation of high school completion as indicated in the school's high school verification and validation policy in the school's catalog.
- **Note:** In some cases, after the Verification process has been completed, a student's federal aid eligibility may change, which may require Pennco Tech to adjust the amount and sources of your financial aid. The Financial Services Office at Pennco Tech will notify the student of any changes to their award.
- **Students receiving Federal Financial aid such as the Federal Pell Grant, Federal SEOG Grant, or Federal Direct Loan funds cannot have these funds applied to their student account until verification is complete.**

Are you considered a Dependent Student for Federal Aid purposes?

Your dependency status determines whose information you must report when you fill out the *Free Application for Federal Student Aid (FAFSA®) form*.

A dependent student is assumed to have the support of parents, so the parents' information must be assessed along with the students to get a full picture of the family's financial resources. If you're a dependent student, it doesn't mean your parents are required to pay anything toward your education; this information is simply used to determine the student's maximum eligibility for federal student aid.

If you answer "No" for any of these questions below, you may be considered a dependent student for 2024-25:

- Were you born before Jan. 1, 2001?
- As of today, are you married?
- Are you currently serving on active duty in the U.S. armed forces?
- Are you a veteran of the U.S. armed forces?
- Do you have children or other people (excluding your spouse) who live with you and who receive more than half of their support?
- At any time since you turned age 13, were you an orphan?
- At any time since you turned age 13, were you a ward of the court?
- At any time since you turned age 13, were you in foster care?
- Are you or were you a legally emancipated minor, as determined by a court in your state of residence?
- Are you or were you in a legal guardianship with someone other than your parent or stepparent, as determined by a court in your state of residence?
- At any time on or after July 1, 2023, were you unaccompanied and either (1) homeless or (2) self-supporting and at risk of being homeless?

Special & Unusual Circumstances

Dependency Override: Students who have been classified as dependent according to the criteria established by the Federal Government may petition for reclassification to independent status based upon documented extenuating circumstances

To request and petition the school to consider an independent student status, complete a Petition for Independent Status, available on our website under forms and publications or by email request askpafa@penncotech.edu.

Dependent FAFSA filers whose parents are unwilling to provide information on the application may be eligible for Unsubsidized Direct Loan assistance only.

Students whose marital status changes should provide our office with a copy of their marriage certificate so that we can update their application information. For dependent students, changes in their marital status will change their dependency status and eligibility for aid. Additional documentation (ex: student and spouse's tax returns transcripts may be requested.

Change in Income: If you or your parent(s) financial situation changes after you have filed your financial aid application or at any time during the academic year, you should submit a letter explaining your special circumstances along with supporting documentation to the Pennco Tech Financial Services Office. Changes in your financial situation include, but are not limited to:

- loss of employment
- disability
- illness,
- separation or divorce
- death of a parent or a spouse.

To request and petition the school to use a Projected Year Income, submit your request by email to askpafa@penncotech.edu.

Note: Your request will not be considered without supporting documentation.

DETERMINING ELIGIBILITY

Student Aid Index

The Student Aid index (SAI) is a number used to determine the amount of aid that you are eligible to receive. It is based on the financial information provided on your Free Application for Federal Student Aid (FAFSA). It is not an amount of money that your family will have to pay for college, nor is it the amount of financial aid you will receive. SAI is used as an indicator of your family's financial strength. A lower SAI (or even a negative SAI) indicates you have a higher financial need.

Maximum Duration of Pell Eligibility (Lifetime Eligibility)

Effective Fall 2012, **Federal financial aid regulations** limit the amount of Pell Grant funds a student may receive to 600%. Since the maximum amount of Pell Grant funding a student may receive each year is 100% (or 150% for Year-Round Pell), 600% is equivalent to six years full time (or four years full time for Year-Round Pell $4 \times 150\% = 600\%$).

The Department of Education keeps track of your Lifetime Eligibility Used (LEU) by adding together the percentages of your Pell Grant scheduled awards that you received for each award year in your lifetime. If a student's LEU equals or exceeds 600%, the student is no longer eligible to receive Pell Grant funding at any institution. In addition, a student whose LEU is greater than 500% but less than 600% will receive a reduced Pell Grant award based on their percentage available. There is no appeal to this Federal regulation.

For information on how the Department of Education calculates the Federal Pell Grant Lifetime Eligibility Used (LEU), visit

<https://studentaid.gov/understand-aid/types/grants/pell/calculate-eligibility>

Students can log on to the studentaid.gov using their FSA ID (the same FSA ID used when signing the FAFSA) to view their calculated LEU.

COST OF ATTENDENCE

In accordance with the Higher Education Act of 1965 (HEA), each postsecondary institution that participates in the Title IV federal student aid programs is required to establish a Cost of Attendance. The cost of attendance is the amount it will cost the student to go to school. The COA is the estimate of both direct costs (costs charged directly by the school) and indirect costs (costs a student might incur while attending school). A standardized set of budgets is used as the basis for determining cost of attendance at Pennco Tech. The budgets consist of direct and indirect costs and will vary based on whether you are living with parents or relatives, off-campus (away from family) or on campus

Components of Cost of Attendance at Pennco Tech

- i. Tuition and fees
- ii. Books, course materials, supplies and equipment
- iii. Transportation expenses
- iv. Living Expenses - Room & Board
- v. Personal miscellaneous expenses
- vi. Federal Loan fees
- vii. *Optional components may be added on a case-by-case basis*

Indirect Costs: The indirect expenses below are based off a 7-month/26-week academic year and may be prorated when academic years are shorter or longer.

Indirect Expenses	On Campus	Off Campus	With Parent
Living Expenses (Food & Housing)	\$6293	\$11,641	\$7,798
Miscellaneous		\$7,539	
Transportation	\$0	\$2,373	
Total	\$13,832	\$21,553	\$17,710

The living expenses components are compiled using the annual numbers published by the College Board - <https://highereducationcollegeboard.org/financial-aid/policies-research/budgets/9-month>

Note: Indirect expenses reflect an average cost of the components that fall within the category. For additional cost of attendance budgets, by program please contact the Financial Services office.

Definitions for Cost Of Attendance

Tuition and Fees - Pennco Tech uses actual tuition amounts for each program as outlined in the student's Enrollment Agreement.

Miscellaneous Personal Expenses - The allowance for miscellaneous expenses is intended to allow students a reasonable standard of living. The allowance may include clothing, recreation, and personal care expenses.

Loan Fees - For students or parent(s) borrowing through the Federal Direct Loan Program, schools must include in the COA any fees deducted from loan proceeds. The law requires a loan fee be charged on all Direct loans to help offset the cost of providing loan funds. Fees are deducted from the loan proceeds before disbursement. Pennco Tech uses the actual cost of the loan fees in determining the COA.

Transportation Expenses - The transportation component of the COA includes the cost of a students' travel as it relates to attending school. The transportation figure is based on the cost of transportation to and from school. The transportation component of the budget is constructed based on the average number of miles traveled monthly multiplied by the federal mileage reimbursement rate multiplied by the number of months the student will be enrolled. Federal regulations prohibit including in student budgets the direct expense to purchase and maintain an automobile.

Living Expenses Room and Board expenses are based on the College Board guidance for living expenses, [published](#) each year.

Books, Course Materials, Supplies and Equipment - The books and supplies allowance are adequate to cover the cost of required materials for the student's coursework. Pennco Tech purchases books and/or supplies from its distributor. Students are packaged for their books, supplies and tools at direct cost, if the student wishes to purchase books and supplies from Pennco Tech.

HOW TO GET AN ESTIMATE ON COST & AID?

Net Price Calculator Tool for Pennco Tech Bristol Campus

You can use this tool to get an estimate of your EFC, Cost of Attendance and Estimated Financial Aid:

<https://www.penncotech.edu/npc/Bristol/npcalc.htm>

College Financing Plan

This resource tool will help you better understand your educational costs and the financial aid that is available to meet those costs. This form was created by the Department of Education (ED) and is available to help prospective students compare the cost of attendance (COA) and aid offers from multiple institutions in order to make an informed decision about where to attend school.

Please contact the Financial Services office at askpafa@penncotech.edu for your personalized College Financing Plan.

College Affordability & Transparency Center

This provides the Department of Education tools for comparing college costs, please visit:

<https://collegecost.ed.gov>.

MAINTAINING ELIGIBILITY

Satisfactory Academic Progress

All students are expected to maintain Satisfactory Academic Progress (SAP). In addition, SAP must be maintained to remain eligible to continue receiving federal financial assistance. SAP is measured using maximum time frame, successful course completion rate (quantitative measure), and Cumulative Grade Point Average (CGPA) standards (qualitative measure). **These standards are outlined in the school catalog available on the school's webpage.**

Pell Recalculation Date

The Pell Recalculation date is a date in the payment period when the Financial Services Office is required to evaluate your Federal Pell Grant Eligibility based on your enrollment status. If the Pell Grant awarded does not match with your current enrollment status, your award must be adjusted.

The Pell Recalculation Date at Pennco Tech is the 7th day of the start of the program.

After the Pell Recalculation Date, any clock hours transferred will not count towards your Federal Pell Grant eligibility, regardless of the start date of the class.

1. If funding is disbursed, you may be required to repay your financial aid
2. If funding has yet not disbursed
 - a. And your enrollment decreases, any loans you were awarded will be reduced and prorated
 - b. And you were awarded a Federal Pell grant, your award will be reevaluated to determine your eligibility

Return of Title IV Funds

Pennco Tech is required by Federal statute to recalculate Federal financial aid eligibility for students who withdraw, drop out, are dismissed, or take a leave of absence prior to completing 60% of a payment period or term.

The Federal Title IV financial aid programs must be recalculated in these situations:

- A. If a student leaves the institution prior to completing 60% of a payment period or term, the financial aid office recalculates eligibility for Title IV funds. Recalculation is based on the percentage of earned aid using the following Federal Return of Title IV funds formula:

Percentage of payment period or term completed = the number of scheduled hours completed up to the withdrawal date divided by the total scheduled hours in the

payment period or term (Any break of five days or more is not counted as part of the days in the term.) This percentage is also the percentage of earned aid.

B. Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:

Aid to be returned = (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total amount of aid that could have been disbursed during the payment period or term

If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds and the student would be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student borrower may owe a debit balance to the institution.

If a student earned more aid than was disbursed to him/her, the institution would owe the student a post-withdrawal disbursement which must be paid within 120 days of the student's withdrawal.

The institution must return the amount of Title IV funds for which it is responsible no later than 30 days after the date of the determination of the date of the student's withdrawal.

Refunds are returned in the following order:

- Federal Unsubsidized Direct Loan
- Federal Subsidized Direct Stafford Loan
- Federal Direct Parent PLUS Loan
- Federal Pell Grant
- Federal Supplemental Opportunity Grant

Credit Balance

If your financial aid award exceeds your direct costs at Pennco Tech (tuition, tech fees etc.), you will receive a Credit Balance refund.

- i. Refunds begin to be issued within 14 days after the disbursement date.

ii. You may select the method in which you want your refund delivered to you. We encourage you to use direct deposit, the fastest and most efficient method of receiving your refund.

iii. All funds issued to you by Pennco Tech through a federal financial aid refund must be used toward educational expenses only and using these funds in any other manner is in violation of and punishable by federal law.

Impact of Withdrawals, Incomplete and Leave of Absence

Students withdrawing from classes who are recipients of Federal Financial Aid should contact the Financial Services office to determine the implications of that withdrawal for their financial aid program. Any change in enrollment may result in the partial or complete loss of tuition dollars. Students should contact the Financial Services office to discuss individual cases. Once you withdraw, drop below half-time enrollment, or leave school, your federal student loan goes into repayment. In most cases, however, you have a six-month grace period before you are required to start making regular payments.

STUDENT RIGHTS & RESPONSIBILITIES

Rights

- Students have the right to know what financial aid is available, including all federal, state, and institutional programs.
- Students have the right to know the deadlines, selection criteria, terms, policies, procedures, and regulations that apply to each of the programs.
- Students have the right to know how your financial need was determined.
- Students have the right to appeal your financial aid award if they feel there are special circumstances that were not originally taken into consideration.
- Students have the right to know how Pennco Tech determines whether they are making Satisfactory Academic Progress.
- Students have the right to know how and when their financial aid will be disbursed.

- Students have the right to know Pennco Tech's Refund Policies.
- Students have the right to expect that all information reported by them and/or their family will remain confidential and will not be released without their written consent according to the Family Educational Rights and Privacy Act (FERPA).
- If students have a loan, you have the right to know the terms of the loan, such as interest rate, the total amount that must be repaid, the length of time you have to repay, when you must start repayment, cancellation provisions, deferment and forbearance possibilities and any special consolidation or refinancing options.
- Students have the right to consolidate all your federal loans after graduation.

Responsibilities

- Students are responsible for providing accurate and timely information to the Financial Services Office.
- You are responsible for reapplying for financial aid each and every year.
- You are responsible for submitting documentation and information requested by the Financial Services Office in a timely manner and keeping copies for your own records.
- You are responsible for notifying Pennco Tech of any name or address changes.
- You are responsible for notifying the Financial Services Office of any financial awards you receive from outside resources (including scholarships, grants, Veteran's Benefits, tuition waivers, or other educational/tuition assistance) not already listed on your Financial Aid Award Letter.
- If you borrow a student loan, you are responsible for completing loan master promissory note, entrance and exit counseling.
- You are responsible for the repayment of all loans in accordance with the terms of your promissory note.
- You are responsible for maintaining Satisfactory Academic Progress.
- You are responsible for the repayment of any over award of financial aid.

ADDITIONAL FEDERAL DIRECT LOANS INFORMATION

The William D. Ford Federal Direct Loan (Direct Loan) Program allows students to borrow low-interest loans directly from the Federal government. To qualify for a Direct Loan, a student must file the FAFSA, be admitted to a program, and be enrolled at the school.

Interest rates for Direct Subsidized and Unsubsidized Loans First Disbursed on or After July 1, 2024, and Before July 1, 2025, is 6.53%.

Interest rates for Direct Parent PLUS Loans First Disbursed on or After July 1, 2024, and Before July 1, 2025, is 9.08%.

What is interest?

Interest is additional money that you pay to a lender as a cost of borrowing money. Interest is calculated as a percentage of the unpaid principal amount that you borrowed. Direct Loans are “daily interest” loans. On daily interest loans, interest accrues (adds up) every day. It’s your responsibility to pay any interest that accrues (adds up) on your loan(s). And, in some cases, unpaid interest can capitalize (be added to your principal balance).

For more information go to: <https://studentaid.gov/understand-aid/types/loans/interest-rates>

LOAN TYPES

A. Federal Direct Subsidized and Unsubsidized Loans

A student must have financial need to receive a Subsidized loan. Financial need is not required to be eligible for an Unsubsidized loan. During the time that a student is enrolled at the school the Federal Government will pay the interest on a Subsidized Federal Direct Loan. **Interest will accrue during the in-school periods on an Unsubsidized Federal Direct Loan.**

A student has the option of paying the interest during in-school periods or adding the interest to the principal of the loan. Principal payments begin after the six-month grace period.

Annual Loan Limits

Dependent students may be eligible to borrow up to \$5,500 per year as a first-year student at Pennco Tech and with a minimum of \$2,000 of the Federal Direct Unsubsidized Loan.

Independent students and dependent students whose parents were denied for a parent PLUS loan due to adverse credit are eligible to borrow an additional \$4,000 under the Unsubsidized loan program.

These annual Federal Direct Loan limits are the maximum yearly amount a student can borrow in both subsidized and unsubsidized loans combined.

Aggregate Loan Limits

Dependent undergraduate students can borrow a cumulative maximum of \$31,000 (maximum \$23,000 subsidized). Independent undergraduate students and dependent students whose parents were denied for parent PLUS loans can borrow a cumulative maximum of \$57,500 (maximum \$23,000 subsidized).

Borrowers may only receive subsidized loans for a maximum of 150% of the published length of their academic program. For example, a student who is enrolled in a four-year program can receive subsidized loans for a maximum of six years. (Students must meet eligibility criteria to qualify for subsidized loans.) Once a borrower has reached the 150% limitation, the eligibility for an interest subsidy also ends for all outstanding subsidized loans that were disbursed on or after July 1, 2013. At that point, interest on those previously borrowed loans would begin to accrue and would be payable in the same manner as interest on an unsubsidized loan.

Requesting a Loan

Your estimated financial aid letter may include loans as part of the initial financial aid package, a student or parent may request to add or remove a Federal loan. Students are encouraged to borrow wisely.

Borrowing the Unsubsidized portion of the Federal Direct Loan can significantly increase a

student's loan debt because interest will be charged from the time the loan proceeds are disbursed. A student can contact the Financial Services Office to reduce or decline the loans requested before the loan has been disbursed. At the time of disbursement, students and parents receive a loan notification with instructions and the timeframe for reducing or cancelling their Federal Direct Loan.

First-time borrowers

A first-time borrower must complete loan entrance counseling and sign a master promissory note (MPN). Students can complete their MPN and entrance counseling at any time on the Department of Education Direct Loan website.

Disbursements

A Disbursement Notification disclosure statement will be sent to the student for each Federal Direct Loan disbursed on the student's account. The disclosure statement provides information about the type of Federal Direct Loan, the loan amount, and the disbursement dates. Once the loan has been disbursed, the student will be contacted by their Federal loan servicer. The loan servicer manages the repayment of the Federal Direct Loan on behalf of the Federal government.

Loans will generally be disbursed in two equal installments, one at the beginning of each payment period. All loan proceeds must first be applied to any outstanding balance on a student's account. Excess funds will be refunded to the student borrower by the Pennco Tech Business Office. A student will be notified by the Financial Services Office when a disbursement has been applied to the student's account. ***Note: A Federal Direct Loan disbursement can be reduced or canceled upon request of the student. The Financial Services Office can return loan funds on the student's behalf up to 60 days after the funds were disbursed.***

Exit Counseling

Upon graduating, withdrawal, or less than half-time enrollment, a student who has borrowed a Federal Student loan must complete exit counseling. A student will receive

information about the rights and responsibilities as a borrower, including payment and deferment options and the contact information for the servicer of the loan(s). An exit interview can be completed electronically on the Department of Education Direct Loan website.

Repayment

Once a student is no longer enrolled at least half-time, has withdrawn, or graduated - repayment begins after one 6-month grace period. During the grace period, the student will receive repayment information from the loan servicer, including the first payment due date. Information on the servicer assigned to a student's loans can be found by logging into StudentAid.gov and viewing their Dashboard.

The Federal Direct Loan program offers several repayment plans that are designed to meet the different needs of individual borrowers. Generally, students have 10 to 25 years to repay their loan, depending on the repayment plan that they choose. Detailed information on repayment options is provided during the mandatory entrance and exit counseling sessions and on the Department of Education Direct Loan website.

Deferment options may be available to students who are in loan repayment. Students must contact their servicer for more information and to initiate the process.

B. Federal Direct Parent Loan for Undergraduate Students (PLUS)

The PLUS loan is available to parents of dependent undergraduate students who filed a FAFSA and are enrolled in an eligible program. Repayment begins 60 days after the loan is fully disbursed unless the borrower requests to defer payment while the student is enrolled.

Interest rates for Direct Parent PLUS Loans First Disbursed on or After July 1, 2024, and Before July 1, 2025, is 9.08%.

Eligibility

Eligibility for the PLUS loan depends on a credit check that determines whether the parent has any adverse credit history. In addition, parents and their dependent child

must be U.S. citizens or eligible noncitizens, must not be in default on any Federal education loans or owe an overpayment on a Federal education grant, and must meet other general eligibility requirements for the Federal Student Aid programs.

A parent who has adverse credit may still borrow a PLUS loan by securing an endorser who does not have any adverse credit history. In some cases, a parent may be able to obtain a PLUS loan if there are extenuating circumstances related to the adverse credit history.

If a parent is denied a PLUS loan and opts not to secure an endorser or appeal the credit decision, the student becomes eligible for increased unsubsidized Federal Direct Stafford loan limits, the same limits as are available to independent students. Only one parent needs to apply and be denied a PLUS loan. However, if one parent is denied and the other is approved, the student is not eligible for increased Direct Stafford loan limits.

Note: Both custodial and noncustodial parents can borrow through the PLUS loan program in order to meet their obligation to the student's costs at Pennco Tech.

Annual Limit

Parents who can demonstrate good credit may borrow the difference between the student's costs of attendance less financial assistance.

Application Process

A parent begins the application for a PLUS loan by logging into the Federal Student Aid Website. The parent will use their verified FSA ID and password and follow the link to "Apply for a PLUS Loan" and completes a PLUS Loan Pre-approval credit check at <https://studentaid.gov/plus-app/parent/landing>.

The PLUS loan application is an annual application requirement, and the Department of Education runs a credit check on the applicant. Once the application is completed, the parent will also complete the Loan Agreement for a PLUS Loan (MPN).

The information in these forms is transmitted to the Financial Services Office electronically.

Upon receipt and review of all PLUS Loan application materials, the student will receive an updated Offer of Financial Aid that includes the source and amount of the funding.

Disbursement

A Disbursement Notification disclosure statement will be sent to the student & parent for each Federal Direct Loan disbursed on the student's and parent's behalf. The disclosure statement lists the gross and net loan amount and the anticipated disbursement dates.

Once the loan has been disbursed, the parent will be contacted by the servicer of the loan. The loan servicer manages the repayment of the PLUS loan on behalf of the Federal government.

Loans will be disbursed in two equal installments, one at the beginning of each term. All loan proceeds must first be applied to any outstanding balance on the student's account. Excess funds will be refunded by the Pennco Tech Business office to the parent borrower or, if authorized by the borrower, to the student.

Note: A PLUS loan disbursement can be reduced or canceled upon request of the borrower. The Financial Services Office can return loan funds on the borrower's behalf up to 60 days after the funds were disbursed.

Repayment

The repayment period for a Direct PLUS Loan begins at the time the PLUS loan is fully disbursed, and the first payment is due within 60 days after the final disbursement. However, parents may defer repayment while the student is enrolled on at least a half-time basis, withdrawn, or graduated. Parent borrowers may make arrangements with their loan servicer to defer payments while their child is enrolled in school.

Generally, parents have 10 to 25 years to repay their loan, depending on the repayment plan that they choose. Additional information on available repayment options can be requested from the servicer of the PLUS loan. Information on the servicer assigned to a parent's PLUS loans can be found on the Department of Education website by viewing the loan in the borrower's Dashboard.

Consequences of Student Loan Default

Default has consequences that are extremely serious and hard to recuperate.

- By federal regulations, if you are in default on a federal student loan, you are not eligible for further Title IV student aid.
- You are also no longer eligible for loan forgiveness or payment relief.
- Reports of default are made to all national credit bureaus. This will affect your ability to buy a car or house, or to get a credit card.

You will be subject to more serious collection activities such as:

- The demand for immediate payment in full.
- Lawsuits where a judgment can be placed to prevent you from purchasing or selling your assets.
- The assignment of your account to a collection agency, with up to a 25 % fee added to your outstanding balance.

GLOSSARY OF FINANCIAL AID

Academic year: The time period in which a student's academic work must be completed. Pennco Tech follows semester system consisting of fall semester and a spring semester. Financial aid is based on the academic year and evaluated annually.

Actual Interest Rate: The annual interest rate charged on a loan, which may be equal to or less than the applicable interest on that loan.

Annual Percentage Rate (APR): The yearly cost of borrowing money as a percentage.

Adjusted Gross Income: Wages, salaries, interest, dividends, etc., minus certain deductions from income as reported on a federal income tax return. Used by the Federal Methodology to determine eligibility for Pell grants and other forms of federal financial aid.

Award letter: An official document, issued by the financial aid office, describing a student's full financial aid eligibility for the academic year. This letter includes the student and parent contributions, the cost of attendance, and the amounts and types of financial aid available to the student. Financial aid award letters may be revised at the discretion of the financial aid office based on changes in family circumstance or additional information.

Borrower: The person who assumes legal obligations for the repayment of the loan principal plus interest. In the case of a Federal Perkins Loan, Federal Direct Loan, or

Pennco Tech Loan, the borrower is the student. In the case of the Federal Direct Parent PLUS Loan, the borrower is the parent.

Cost of attendance (COA): An estimate of the total costs for an academic year at Pennco Tech. COA includes tuition and fees; room and board; and allowances for books, travel costs, and personal expenses. After subtracting the expected parent contribution and student contribution, financial aid covers the remaining cost of attendance.

Credit Balance: The amount remaining in a student's account after payment of all billed charges.

Default: Failure to repay a loan according to the terms agreed to in the master promissory note. For most federal student loans, default will occur if no payment has been made in more than 270 days (unless the borrower has requested & received a deferment or forbearance). Borrowers may experience serious legal consequences if they default; borrowers having difficulty making monthly payments can choose a different repayment plan to continue making payments & avoid default.

Deferment: A postponement of required payments on a loan, allowed under certain conditions (such as graduate school enrollment). During a deferment, interest does not accrue on Direct Subsidized Loans or Federal Perkins Loans; all other federal student loans will continue to accrue interest. Any unpaid interest accrued during the deferment period may be added to the principal balance of the loan(s).

Dependency status: The definition of an applicant as dependent or independent of parent finances in determining financial aid eligibility. Questions on the FAFSA determine dependency status for federal aid purposes. Pennco tech considers nearly all students "dependent" for institutional aid purposes. Dependency status for financial aid is unrelated to dependency for federal tax purposes.

Disbursement: The process by which funds are made available to students for use in meeting educational expenses. Financial aid funds and direct payments are disbursed to each student's account (administered by the Bursar) to first pay any billed charges: tuition, fees. Any funds in excess of the billed charges constitute a credit balance.

Disclosures: Information that postsecondary institutions must make available to students and the public generally, such as information about their academic programs, costs, withdrawal procedures, refunds, accreditation, school programs, crime, and safety, etc.

Expected Family Contribution (EFC): A component of the Student Aid Index (SAI) measurement of family finances based on the information provided in the FAFSA. The EFC is reported on the Student Aid Report (SAR) and used to determine eligibility for federal financial aid-for example, the Pell Grant.

Expected student contribution: The portion of the cost of attendance that is expected to come from each student's summer earnings and, where applicable, savings and other student assets.

FAFSA (Free Application for Federal Student Aid): The basis for federal financial aid eligibility which must be completed by all U.S. citizens, permanent residents, and other eligible non-citizens who wish to be considered for financial aid. Apply online at fafsa.ed.gov.

Federal Direct Loan: A federal student loan, made through the William D. Ford Federal Direct Loan Program, for which eligible students and parents borrow directly from the U.S. Department of Education at participating schools. Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans are types of Direct Loans.

Federal Methodology (FM): The formulas used to determine a student's eligibility for federal (Title IV) financial aid funds. The formulas take into account income, certain assets, certain expenses, family size and other factors. Retirement savings, home equity and non-custodial parents are not considered; stepparent finances are included. Distinct from Institutional Methodology (IM), which is used to determine eligibility for Pennco Tech financial aid funds.

Financial need: The portion of the cost of attendance (COA) beyond a family's ability to contribute to college, as determined by Financial Aid/Services. Demonstrated financial need is equal to the COA minus the family contribution (including student and parent contributions).

Forbearance: A period during which monthly loan payments are temporarily suspended or reduced based on certain types of financial hardship. A lender may grant forbearance at a borrower's request if the borrower is willing but unable to make loan payments. During forbearance, principal payments are postponed but interest continues to accrue; unpaid interest accrued during the forbearance will be added to the principal balance, increasing the total amount owed. Distinct from deferment, in which loan payments are temporarily suspended because a student meets predetermined conditions, such as graduate school attendance.

Grace period: A period of time after a borrower graduates, leaves school, or drops below half-time enrollment during which they are not required to make payments on certain federal student loans. Some federal student loans will accrue interest during the grace period, which will be added to the principal balance of the loan when the repayment period begins.

Grant: Financial aid that does not need to be repaid. Many grants, including the PENNCO TECH Grant, are based on financial need (Repayment may be required under certain uncommon circumstances—for example, if a student withdraws from school mid-semester and owe a refund).

Interest: A loan expense charged for the use of borrowed money and paid by a borrower to a lender. Interest for federal student loans is calculated as a percentage of the unpaid loan principal amount.

Interest rate: The percentage at which interest is calculated on a loan(s).

Lender: A financial institution that provides loan funds to parents or students. For federal Direct Loans (including parent PLUS Loans), the Department of Education is the lender.

Loan origination fee: An administrative fee assessed by the federal government and deducted from a loan before funds are made available. Fees are assigned each year and vary depending upon your origination date and year.

Loan principal: The amount originally borrowed. Simple daily interest is calculated based on the loan principal.

Loan servicer: An organization that manages loan payments and administrative functions on behalf of the lender. Students can look up the loan servicer by logging into the National Student Loan Data System (NSLDS.ed.gov).

Master Promissory Note: A binding legal document setting out the contractual terms of a loan. A signed master promissory note must be on file before loan funds can be sent to the student account. Promissory notes for Direct and PLUS loans are signed online.

Merit-based: Funding distributed on the basis of academic or artistic accomplishments or individual leadership, rather than a family's ability to pay for college.

Need analysis: The process by which financial aid officers assess each family's ability to pay for the cost of a college education. The biggest factors in need analysis are income, assets, family size, and number of children in college; many other factors are incorporated to a lesser degree. The goal of need analysis is to provide an equitable and consistent assessment of each family's unique Financial situation.

Need-based: Funding distributed on the basis of each family's financial strength and ability to pay for college, primarily considering income, assets, family size and number of children in college. PENNCO TECH provides exclusively need-based (as opposed to merit-based) financial aid.

Net Price Calculator: A tool to estimate financial aid eligibility at PENNCO TECH based on family finances. The Net Price Calculator is the best source of early financial aid information for college planning.

Parent contribution: Determination of parents' ability to pay for college in the current academic year.

Registrar: The college administrator whose office manages enrollment, class registration, and academic standing.

Repayment plan: The number of monthly payments and total repayment period for a loan. The Standard Repayment Plan consists of equal monthly payments over a period of ten years. Borrowers can switch to another repayment plan that better fits their monthly finances by contacting the loan servicer. There is never a financial penalty for making early loan payments or paying more than the minimum required amount.

Room and board: The expected cost of student housing (room) and food (board).

Scholarship: Money awarded to a student for educational expenses. Scholarships do not need to be repaid. At Pennco Tech, outside scholarships replace other forms of financial aid, first replacing loans and need-based campus employment eligibility.

Special circumstances: Unusual situations affecting a family's finances that were not reported or reflective on the family tax documents. The financial aid office can make a professional judgement based on your circumstance and documentation to increase your aid eligibility or override your dependent status.

State grant: Funds awarded by state governments based on residency and financial need.

The Student Aid index (SAI): A number used to determine the amount of aid that you are eligible to receive. It is based on the financial information provided on your Free Application for Federal Student Aid (FAFSA). It is not an amount of money that your family will have to pay for college, nor is it the amount of financial aid you will receive. SAI is used as an indicator of your family's financial strength. A lower SAI (or even a negative SAI indicates you have a higher financial need.

Student Aid Report (SAR): A summary of the information reported on the FAFSA (Free Application for Federal Student Aid).

Tax return transcript: An official IRS document confirming data from the federal tax return. A tax return transcript is one of two options to satisfy the federal verification requirement (the other option is using the IRS Data Retrieval Tool at www.irs.gov).

Unsubsidized loan: Loan for which interest begins to accrue after the loan funds are received; payments do not need to be made until the student leaves school.

Verification: A process, required of approximately 30% of students by Department of Education, through which financial aid officers check the information on a student's financial aid application against the tax information received by the IRS. Verification can be

completed either by using the IRS Data Retrieval Tool on the Free Application for Federal Student Aid (FAFSA) or by requesting a tax return transcript from the IRS. Being selected for verification is essentially random and does not indicate a problem with your taxes or your financial aid application.

HELPFUL LINKS & RESOURCES

[FAFSA®: Apply for Aid](#)

The Free Application for Federal Student Aid (FAFSA) form to apply for financial aid for college or grad school.

[Subsidized/Unsubsidized Master Promissory Note \(MPN\)](#)

Is a legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan(s). Unless your school does not allow more than one loan to be made under the same MPN, you can borrow additional Direct Loans on a single MPN for up to 10 years.

[Entrance Counseling](#)

If you have not previously received a Direct Loan or Federal Family Education Loan (FFEL), the Federal Government requires you to complete entrance counseling to ensure that you understand the responsibilities and obligations you are assuming. If you are completing entrance counseling to borrow a loan as a graduate or professional student, the entrance counseling will fulfill counseling requirements for Direct Unsubsidized Loans, and Direct PLUS Loans.

[Exit Counseling](#)

Provides important information to prepare you to repay your federal student loan(s). If you have received a subsidized, unsubsidized, or PLUS loan under the Direct Loan Program or the FFEL Program, you must complete exit counseling each time you drop below half-time enrollment, graduate or leave school.

[Financial Awareness Counseling](#)

Provides tools and information to help you understand your financial aid and assist you in managing your finances.

STEPS TO APPLY FOR FINANCIAL AID

Step 1

Meet with the school's Financial Services Team to learn about the Financial options available at the school including important information about applying for Federal Student Aid, which includes grants and loans.

Step 2

Complete and Submit the Free Application for Federal Aid (FAFSA)

FAFSA is the Free Application for Federal Student Aid form completed by current and prospective college students to determine their eligibility for student financial aid.

- You will need an FSA ID** <https://studentaid.gov> or If you have applied for aid in past years, you can reuse your FSA ID.
- Establish your Dependency status. You'll answer questions about your personal circumstances to determine whether you're a dependent or independent student on the FAFSA. If you're considered a dependent student, **both the student and the established contributor must each apply** for an FSA ID, using separate email addresses and complete their section of the FAFSA.
 - [Click here](#) to determine if you are considered dependent for Federal Aid purposes.
- Complete your FAFSA and add our school code: 014877**

Step 3

Once you receive your Student Aid report from Federal Student Aid and the school receives the Institutional Report. Financial Services will invite you to logon to the Pennco Tech Financial Aid Student Portal. You will receive login instructions via an email.

Step 4

Log on to the portal and get your estimated aid packet, a college financing plan and review your cost of attendance in the portal.

Note: You must complete any additional institutional or state aid documents with the Financial Services Office including applying for any in-school payment plans.

If you are a dependent student, send your parent an invitation to join the Pennco Tech Financial Aid Student Portal and complete their required forms.

Step 5

Complete Verification (if required you will be notified by your Financial Services office)

Verification is the process your school uses to confirm that the data reported on your FAFSA form is accurate. If you're selected for verification, your school will request additional documentation that supports the information you reported on the FAFSA.

Step 5

If you have elected to use Federal Student Loans to pay for your cost of attendance, you will need to complete the Entrance Counseling, Annual Student Loan Acknowledgement and Master Promissory Note (MPN) <https://studentaid.gov/>

- *Entrance Counseling ensures that you understand this responsibility and responsibilities you are assuming when borrowing student loan(s), the federal government requires you to participate in Entrance Counseling before your loan funds can be disbursed.*
- *An Annual Student Loan Acknowledgement is completed each academic year you accept a new federal loan. The goal is to help you understand your loans and how they affect your financial future.*
- *The Master Promissory Note is a legal document you must sign with your FSA ID agreeing to pay back your loan(s) and any accrued interest and fees to the US Department of Education*

Step 6

Once your submission is completed in the portal, it will be reviewed by Financial Services.

You may receive a request for additional information or supporting documentation. Please respond as soon as possible to such requests.

A Financial Aid Budget & Award Notification will be emailed to the student and parent (if applicable) once all documents are complete and confirmed.

Step 7

Make arrangements to cover any gap in funding.

If you are making an in-school payment, complete a Retail Installment Agreement with the Financial Services Team, as necessary

You may receive a renewed budget and award notification as additional payment sources are added to your budget or any changes occur to your financial aid. Please make sure you review all updates.

Step 8

Students and parents (if applicable) must complete a Financial Aid Application each award year as well as meet with the school's Financial Services team each Academic year to renew their aid packet.



BLACKWOOD