

## Interpreting Your Award Letter and Frequently Asked Questions

Here is an example of the body of a financial aid award letter. The numbered list below corresponds to the numbered areas of the letter.

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Vincennes University is pleased to offer you the following financial aid.

1	<b>AWARDS</b>	<b>Fall 2014</b>	<b>Spring 2015</b>	<b>Total Awards</b>
	Estimate State Grant	\$1,850.00	\$1,850.00	\$3,700.00
	Federal Pell Grant	\$2,865.00	\$2,865.00	\$5,730.00
	Fed Direct Sub Loan	\$1,750.00	\$1,750.00	\$3,500.00
	Fed Direct Unsub Loan	\$1,000.00	\$1,000.00	\$2,000.00
	Fed Parent PLUS Loan	\$1,706.00	\$1,706.00	\$3,412.00
	Totals	\$9,950.00	\$9,950.00	\$18,342.00

These awards are based on your FAFSA estimated family contribution (EFC) of 0 and your estimated cost of attendance shown in the table below. The cost of attendance is an **estimate** of total expenses you may have. **It is not your bill.** Your actual costs will be calculated later and sent as a bill in July after you attend a START VU registration day.

### Annual Estimated Cost of Attendance

*This is NOT a bill.*

Tuition and Fees	\$5,174
Room and Board	\$8,732
Books and Supplies	\$1,240
Loan Fees	\$64
Personal Expenses	\$1,080
Transportation	<u>\$2,052</u>
<b>Cost of Attendance</b>	<b>\$18,342</b>

If we have to adjust your awards, we will notify you by e-mail. If you have any questions, you can reach us by phone, e-mail, or fax. You can also browse our Web site at [www.vinu.edu/financialaid](http://www.vinu.edu/financialaid). Again, we look forward to serving you during the upcoming school year.

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1. **Grants** do not have to be paid back. You don't have to do anything to accept them. We assume you want "free" money.
2. These **loans** are offered to you, but you have no obligation to accept them. Sub and Unsub loans are student loans. Parent PLUS is a loan offered to parents. We will send students an e-mail, usually in early July, when they can accept their student loans along with directions for how to do so. We do not receive the loan funds to apply to student accounts until about a week before classes start.
  - a. Sub = **Subsidized**; no interest accrues while the student is enrolled at least half time.
  - b. Unsub = **Unsubsidized**; interest starts accruing as soon as the loan is disbursed to the student's account. You can arrange to pay the interest along the way rather than let it accrue. (Parents, this is one way to make the unsubsidized loan act like a subsidized loan from the student's point of view.)
  - c. If students accept either or both student loans, they get them as long as they complete online entrance counseling and a master promissory note and meet academic standards.
  - d. Parents' applications for a **PLUS** loan are either approved or denied by the U. S. Dept. of Education on the basis of a credit check. If a parent's application for a PLUS loan is denied, the student qualifies for up to an additional \$4,000 on the year in an unsubsidized loan.
3. Estimated family contribution (**EFC**) is the number value that results from the complicated formula the FAFSA processing center applies to the financial and family information you provide on your FAFSA. The EFC does not mean this is the amount you could be expected

to pay out of pocket. Rather, it helps determine financial aid need, defined by the U. S. Dept. of Education as *cost of attendance* minus *EFC (and other resources like scholarships)*.

4. Annual estimated **cost of attendance** (sometimes called “financial aid budget”) is often confusing to first-time students and parents. As we state above, ***this is NOT what your bill will be***. Rather, it is our best guess for what it might cost students to cover all these areas of expenses that they have. Here is how we arrive at the total cost of attendance.
  - a. **Tuition and Fees:** This is the amount in 2014-15 for 30 credits of course work (15 credits each semester) along with the student activity fee for each semester for an in-state student. If you are a distance education student, if you get the Illinois counties rate, or if you are from out of state, this will be higher. Your **bill** for tuition and fees will be higher than shown on the award letter if you enroll in more than 15 credits each semester and lower if you enroll in fewer than 15 credits each semester. We do not factor in course fees that might attach to some courses, except for program expenses as explained in **g** below.
  - b. **Room and Board:** This is the billing amount for both semesters for a student who lives in either Godare, Harrison, Morris, or Vigo Hall with the 19-meal food plan. Rates for Vanderburgh, Ebner, and Clark Halls are higher, but we don’t increase the cost of attendance to reflect the higher amounts because where students live is a choice they make. We allow the same amount for students who live off campus but not with parents or relatives. We allow a much lower amount for students who live with their parents.
  - c. **Books and Supplies:** This is our guess about what it might cost students to buy their books and required supplies for both semesters in the Old Post Bookstore. This is a reasonable average amount. One student’s schedule of courses might require more; another student’s schedule might require less. Some can get by with less by renting books or buying used books. Even if you choose to buy your books elsewhere, this is the amount we allow for this component of estimated cost of attendance. An amount for books will appear on your bill only if you have excess financial aid and are able to charge the books to your student account.
  - d. **Loan fees:** This amount provides some cushion for the origination fees that are taken out of the amounts that borrowers of federal student and parent loans receive. For example, in 2013-14 a \$1,750 semester student loan provided \$1,732 to the student account. The \$18.00 was an origination fee kept by the U.S. Dept. of Education. The amount of the origination fee is determined by congressional action late in the fall.
  - e. **Personal expenses:** Because students who go to school will always have some incidental expenses—toothpaste, deodorant, laundry soap, an occasional meal out—schools are allowed to include a reasonable amount for this component of cost of attendance. Of course, this is our determination of a reasonable amount, and it will not appear on your bill.
  - f. **Transportation:** Students need to get to and from school whether they are commuting several times a week while living at home or driving farther away for breaks and occasional weekends. Again, this is a reasonable estimate. Of course, it does not appear on the bill either, but schools are allowed to include a reasonable amount for this category of expenses that students have because they are going to college.
  - g. Some students will also have a component for **Program Expenses**. We have to treat all students similarly unless there are documented reasons not to. So, for example, automotive technology majors have to buy a lot of tools, art majors have to buy art supplies, and music majors have to pay for individual lessons. Various categories of majors get varying amounts for program expenses depending on what is usually required of them by way of major course fees and equipment. *This does not mean we can find the financial aid to pay for the increased expenses.*

**Total cost of attendance** is the upper limit of financial aid we can provide a student if we can find that much. Students who buy a **computer** for school use can ask us to add an amount for that component to their cost of attendance by providing us with a receipt for the computer purchase. Students who pay for **child care** while they attend classes can ask us to add an amount for that component to their cost of attendance by providing a statement from their child care provider. Again, *increasing the cost of attendance does not guarantee that a student can find the financial aid to meet the higher amount.*

Notice in this example of an award letter that the total amount of awards equals the total cost of attendance. This is because for dependent students we can offer the difference between the total other aid the student has and the cost of attendance in the form of a parent PLUS loan. Again, there is no obligation to take any of these loans. Some families have enough resources to pay what is left over on the bill after any grants and scholarships are applied to the student's account. To repeat, **a student's bill is going to be LESS than the cost of attendance**, but the cost of attendance includes the cost of expenses that students might have because they are attending college.

### Frequently Asked Questions

1. **Why didn't I receive any grants?** Eligibility for federal Pell grants and state O'Bannon grants is determined first by the EFC.
  - (i) For 2014-2015 anyone with an EFC of 5158 or higher does not qualify for a Pell grant. The maximum Pell grant for a student with a 0 EFC is \$5,730 for the year. To receive the maximum amount each semester, a student must be enrolled full time (at least 12 credits) each semester. A student who has less than full-time enrollment might have some Pell grant left over for use during summer sessions.
  - (ii) For 2014-15 anyone with an EFC over 2500 does not qualify for a state O'Bannon grant at Vincennes University. To receive any amount of state grant, a student must be enrolled in at least 12 credits. However, to receive the full eligible amount, a student must be enrolled in at least 15 credits. Also, to be eligible for a full renewal amount the following year, a student has to pass at least 30 credits each year.
2. **I know I am eligible for a state grant or a 21<sup>st</sup> Century Scholars award. Why isn't that shown on my award letter?** There are four possible explanations for this.
  - (i) Your state grant eligibility had not yet been transmitted to us from the state Student Financial Aid (SFA) office by the time we printed the letter. We receive a file from SFA each Friday. If we add a state grant after your award letter has been printed, we send an e-mail to your MyVU e-mail address to notify you that a change has been made.
  - (ii) You had listed another Indiana college or university first on your FAFSA, so that school has your state grant information. You can fix this by logging onto [www.in.gov/sfa](http://www.in.gov/sfa) and setting up your eStudent account. Then you can change your college choice to Vincennes University. VU will then get your information in the next file sent to us by SFA.
  - (iii) You have what the state Student Financial Aid office calls an edit—some kind of omission or mistake on your FAFSA that you have to correct before May 15. If you included a valid e-mail account on your FAFSA, SFA will send you an e-mail about the edit that you need to fix. You can also find this on your eStudent account at [www.in.gov/sfa/2438.htm](http://www.in.gov/sfa/2438.htm).
  - (iv) You filed your FAFSA after the March 10 deadline or failed to fix a correctable edit before May 15. In this case you will not receive a state grant or Scholar award for 2014-2015.

3. **I have been told that I have been awarded a scholarship. Why isn't that shown on my award letter?**

- (i) If the scholarship is from the Vincennes University Foundation or from a university college or office, we had not been informed of the scholarship before we printed the award letter.
- (ii) If the scholarship is from an outside organization, we had not yet received the check or the notification before we printed the award letter.

In either case, when we get the information and change your financial aid package to reflect the scholarship, we will send an e-mail to your MyVU e-mail that a change has been made.

4. **If the subsidized loan is better because it doesn't accrue interest while I'm in school, why wasn't I offered that loan instead of only the unsubsidized or parent PLUS loans?**

Eligibility for a subsidized loan depends on the technical definition of "financial aid need." Need is determined by the formula *Cost of Attendance* minus *EFC* minus *other aid*.

Unsubsidized student loans and parent PLUS loans are not need-based.

- See how this works using the sample award letter above.

$\$18,342 - 0$  (EFC) -  $\$5,730$  (Pell grant) -  $\$3,700$  (state grant) =  $\$8,912$  as need.

Since this allows room for the  $\$3,500$  subsidized loan, this student is eligible for the subsidized loan.

- Now see how this works with a much higher EFC.

$\$18,342 - 16000$  (EFC) =  $\$2,342$  as financial aid need.

Assuming no other grants or scholarships, this student is eligible for  $\$2,342$  in a subsidized loan. Since the basic combined annual limit for subsidized and unsubsidized loans for a first year student is  $\$5,500$ , we would offer  $\$2,342$  in the subsidized loan and  $\$3,158$  in the unsubsidized loan. (Again, no obligation to take the loans.)

- Again, with an even higher EFC.

$\$18,342 - 19000$  (EFC) = negative  $\$658$  as need.

Assuming no other grants or scholarships, we would offer this student the  $\$5,500$  annual limit as all unsubsidized loan since there is no positive financial aid need.

5. **I need to accept my student loans. When and how do I do that?** *When:* Usually sometime after the 4<sup>th</sup> of July. We will send an e-mail to all students who have been offered student loans when the MyVU system for accepting them is open. *How:* Go to [www.vinu.edu/content/how-accept-stafford-loans](http://www.vinu.edu/content/how-accept-stafford-loans) and follow the directions. First-time borrowers also have to complete Entrance Counseling and a Master Promissory Note at [www.studentloans.gov](http://www.studentloans.gov).

6. **I am a parent, and I want to apply for the parent PLUS loan. When and how do I do that?** *When:* Because credit approvals or denials are valid for only 90 days, we recommend waiting until you have your student's first bill so you can tell better whether you want to apply. If you don't want to wait until then, it would be better to wait until around June 1 so that the 90-day limit does not expire before school starts. If it would expire, you would have to reapply, which is an inconvenience to you. *How:* Go to [www.vinu.edu/content/how-accept-parent-plus-loans](http://www.vinu.edu/content/how-accept-parent-plus-loans) and follow the directions.

7. **If I (either student or parent) don't accept the loans now, do I lose them?** No, the loans would still be available later in the year. Even if you declined them for now, later you could ask in writing or complete a loan change form ([www.vinu.edu/content/loans-1](http://www.vinu.edu/content/loans-1)) to request the loans.

**Other questions about financial aid not directly related to the award letter?** Go to the document on this Web site "Financial Aid: Things you should know."