

# **GUIDE TO FINANCIAL AID**

## **2006-2007**

The following Guide to Financial Aid is a brief synopsis of how to apply for financial assistance and the programs available to students. Listed are the types of programs, program requirements, how to apply, and tips to parents on completing application forms.

### **I. HOW TO APPLY FOR FINANCIAL AID:**

1. Apply for admission to the college(s) selected.
2. Complete the institutional financial aid application if required.
3. Virtually all schools require completion of the Free Application for Federal Student Aid (FAFSA) for students who will be applying for any need-based financial aid. A student is able to list up to six (6) schools on the FAFSA. The school(s) listed will communicate with the student regarding additional forms required and/or award notification. The FAFSA is completed annually.

This form will be used to determine the student's eligibility for all need-based federal, state, and institutional programs including Pell, FSEOG, Work-Study, Perkins Loan, Stafford Loans, South Carolina Tuition Grant Program, and South Carolina Need-Based grants. Federal Stafford Loans may require a separate loan application for some colleges. The FAFSA should be completed as soon as you can gather your 2005 federal tax information. You do not have to file your tax form in order to complete the FAFSA; you only need the information from the tax return. Submit the FAFSA by your school's priority deadline, if one is in place.

4. Many private colleges and universities will also require completion of the College Scholarship Service PROFILE form. The results of this form will be used to determine the student's eligibility for all institutional need-based programs. PROFILE registration guides are available at participating colleges and high school guidance offices or you can register and submit your PROFILE at [www.collegeboard.com](http://www.collegeboard.com).
5. Some scholarship programs (Example: The J. E. Surrine Scholarship Program) require the student to file a separate application form. Contact the various programs for application forms.
6. Annually complete and sign a South Carolina State Aid Affidavit, which certifies that the student has not been convicted of any felony or misdemeanor offenses during the preceding calendar year; is not presently in default on any Federal or State student loans or owes any refunds to any Federal or State financial aid programs; gives permission for a background check if requested; and submits official transcripts from all institutions attended. Applicable to Palmetto Fellows, LIFE, HOPE, SC Tuition Grant, and SC Need-Based Grant awards.
7. Submit documents required for verification if selected.

## II. TIPS FOR COMPLETING FINANCIAL AID APPLICATIONS:

The quickest and most accurate way to process the FAFSA is on the Internet at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). There are edits within the FAFSA on the Web that prevent students and parents from submitting incomplete information. One parent and the student are to request a personal identification number (PIN) at [www.pin.ed.gov](http://www.pin.ed.gov). Your PIN can be used as an “electronic” signature. A Pre-Application worksheet is available (from this site) to assist the applicants in properly completing the FAFSA.

1. Read all instructions carefully before starting the application process.
2. Have a copy of the parents’ and student’s 2005 *federal* tax returns.
3. Do not leave blank spaces. Answer financial questions, which do not apply, with zeros.
4. Round off dollar amounts to the nearest dollar.
5. Apply as soon as possible after January 1. Changes in the need analysis formula have greatly increased the income levels of eligible applicants. Therefore, it is advisable to complete the required forms, if you have any interest in applying for financial assistance for college.

**SPECIAL NOTE:** All federally and state funded programs are subject to regulatory changes and funding shortfalls which could impact the student’s eligibility for the 2006-2007 academic year.

## III. FINANCIAL AID TERMS:

**NEED** - Your need is determined by the financial aid office at each college to which you apply.

**FAMILY CONTRIBUTION** - Your family contribution is determined by a standard formula that has been approved by Congress. This represents the amount you (parents and student) should be able to pay toward college based on the information you provided on the FAFSA.

$$\begin{array}{r} \text{COST OF EDUCATION} \\ - \text{FAMILY CONTRIBUTION (EFC)} \\ = \text{FINANCIAL NEED} \end{array}$$

## IV. FINANCIAL AID PROGRAMS:

### A. Grants and Scholarships

1. Federal Pell Grant
2. Federal Supplemental Educational Opportunity Grant
3. State Grants and Scholarships
4. Institutional Scholarships
5. Corporate and Foundation Scholarships

- B. Loans – Must be repaid to source
  - 1. Federal Perkins Loan
  - 2. Federal Stafford Student Loan
  - 3. Direct Loans
  - 4. PLUS Loans
  - 5. Alternative Loans
  - 6. South Carolina Teachers Loan/Career Changers Loan

- C. Employment Programs
  - 1. Federal Work Program (need-based)
  - 2. Institutional Work Program (non-need based)

## V. DESCRIPTION & REQUIREMENTS FOR PROGRAMS:

### A. Grants and Scholarships

#### **FEDERAL**

- 1. Federal Pell Grant
  - (a) Entirely need-based.
  - (b) Eligibility based on prior year's income and assets. (Parent and student income information)
  - (c) Maximum award is currently \$4,050. Minimum award is \$400 for an expected family contribution of \$3,850.
- 2. Federal Supplemental Educational Opportunity Grant (FSEOG)
  - (a) Based on financial need and awarded by the school. (First priority given to Pell Grant recipients)
  - (b) Minimum award of \$200 per academic year.

#### **SOUTH CAROLINA STATE PROGRAMS - (Limited to Four Years)**

- 3. South Carolina Tuition Grant (SCTG)
  - (a) South Carolina residents only.
  - (b) Students must attend **a private college** within South Carolina.
  - (c) Award varies dependent upon the private school you attend.
  - (d) Eligibility based on parent's prior year income and assets.
  - (e) Maximum award for all students for the 2006-2007 academic year is \$2,800.
  - (f) To apply, the student and parent must complete the FAFSA prior to June 30, 2006 (must be **received** by this date).
  - (g) Students must complete a minimum of 24 hours annually and continue to demonstrate need in order for renewal.
  - (h) Freshmen must rank in the top 75% of high school class **or** score at least a 900 on the SAT.
- 4. South Carolina Need-Based Grant
  - (a) South Carolina residents only.
  - (b) Students must attend **a public institution** within South Carolina (four-year or Technical College).
  - (c) Award will vary – maximum award \$2,500.
  - (d) Eligibility based on parents and student's prior year income and assets.
  - (e) Student must demonstrate need to be considered.

- (f) Student and parents must complete the FAFSA.
5. South Carolina HOPE Scholarship
- (a) One-year \$2,650 academic scholarships for South Carolina residents with a B average (3.0) who do not qualify for LIFE or Palmetto Fellows.
  - (b) Students who complete a minimum of 30 credit hours and achieve a minimum cumulative grade point average of 3.0 will be awarded a LIFE Scholarship for their sophomore year. (Can count AP/IB hours toward 30 hour requirement).
  - (c) No application is required. Based on final academic transcript.
  - (d) Four-year institutions only – **South Carolina schools only**.
6. South Carolina LIFE Scholarship
- (a) South Carolina residents attending a four-year public or private college/university in South Carolina need to obtain two of the following three criteria:
    - At least a SAT of 1100 or 24 on the ACT.
    - Rank in the top 30 percent of your graduating class.
    - A cumulative 3.0 (B) average on final high school transcript (3.0 on a 4.0 scale).Students attending a technical college only need a high school cumulative grade point average (GPA) of 3.0 on a 4.0 scale to be eligible for LIFE. To use the scholarship at a technical college, a student must enroll for a minimum of 12 credit hours per term of non-remedial coursework.
  - (b) Renewable annual award of \$5,000 with a 3.0 LIFE GPA and **an average of 30 credit hours** each academic year for students attending public or private colleges and universities. (Can count AP/IB hours toward 30 hour requirement).
  - (c) Renewable annual award of \$4,324 plus a \$300 allowance for students attending two-year public and private colleges and universities with a 3.0 LIFE GPA and an average of 30 credit hours each academic year. (Can count AP/IB hours toward 30 hour requirement)
  - (d) Renewable annual award up to tuition and required fees plus \$300 allowance for students attending technical colleges with a 3.0 LIFE GPA and an average of 30 credit hours in non-remedial coursework each academic year (limit two years). The LIFE scholarship is not renewable for students enrolled in certificate or diploma programs at technical colleges. If remediation is required for a freshman, the eligibility for the LIFE Scholarship can be deferred up to one year.
  - (e) No application is required. Based on final academic transcript.
  - (f) Beginning in 2006-2007, all college-level courses taken, including dual enrollment classes, must be included in calculating cumulative GPA for renewal purposes.
7. Palmetto Fellows Scholarship
- (a) South Carolina residents only.
  - (b) Students must attend a four-year private or public institution within South Carolina.
  - (c) Eligibility is based on high school performance and academic promise.
  - (d) Students are nominated based on SAT of 1200 (ACT of 27) or higher, top six percent of the class, and a 3.5 GPA **or** SAT of 1400 (ACT of 32) or higher, and a GPA of 4.0.

- (e) Renewable annual award of \$6,700 with a 3.0 cumulative GPA and complete 30 hours **annually**. (Cannot count AP/IB hours toward 30 hour requirement)
- (f) Two application deadlines. (Application coordinated through high school guidance office)
  - December 15, 2005
  - May 3, 2006
- (g) Based on final academic transcript.

Note: Students cannot receive either the LIFE or HOPE Scholarship and the Palmetto Fellows Scholarship.

8. South Carolina Teaching Fellows
  - (a) South Carolina Center for Teacher Recruitment awards \$5,700 renewable scholarships with a \$300 summer stipend.
  - (b) Recipients agree to teach in South Carolina one year for every year they receive the fellowship.
  - (c) Awards are renewed provided the recipient maintains a 2.75 institutional GPA and completes 30 academic hours per year while completing a degree leading to teacher certification.
  - (d) Check website for deadline ([www.cerra.org](http://www.cerra.org)).
  - (e) Can use AP/IB credits in first year only.
  - (f) Deadline was November 1, 2005.
  
9. Lottery Funds at Technical Schools and Two-Year Colleges
  - (a) Complete the FAFSA or a simplified application.
  - (b) Must be a South Carolina resident.
  - (c) Must be enrolled at least 1/2 time (6 hours).
  - (d) Must be enrolled in a certificate, diploma, or degree program.
  - (e) Students cannot receive SC LIFE Scholarship and Lottery grants. Lottery fund grants are not available at four-year colleges or private colleges.
  - (f) Currently \$936 maximum per semester and \$78 per credit hour if enrolled less than full-time.
  - (g) The student must have unpaid tuition and fee charges remaining after other federal and state grants have paid charges in order to use the lottery. Lottery funds cannot be used for textbooks or disbursed as cash.

## B. LOANS

1. Federal Perkins Loan
  - (a) Federal loan with an interest rate of five percent.
  - (b) Based on financial need and availability of funds.
  - (c) Annual loan limit of \$4,000 and aggregate limit of \$20,000 for undergraduate study. Typical award is \$1,000 - \$1,500.
  - (d) Repayment begins nine months after graduation or less than half-time enrollment at the school. Student is allowed up to ten years to repay the loan.
  - (e) Certain jobs may qualify for deferment or cancellation benefits.

2. Federal Stafford Student Loan Program
  - (a) Federal loan program based on financial need as determined by the FAFSA funded by various lenders.
  - (b) Interest rate – variable up to 8.25 percent. Up to ten years to repay total amount borrowed. The interest rate is currently 4.70 percent, but will likely increase for the 2006-2007 academic year. The interest rate is adjusted annually on July 1<sup>st</sup>.
  - (c) Students may borrow up to \$2,625 freshman year; \$3,500 sophomore year; and \$5,500 junior and senior years. The maximum aggregate total a student can borrow as an undergraduate is \$23,000.
  - (d) Repayment begins six months after graduation or less than half-time enrollment at the school.
  - (e) A student who does not qualify for a subsidized Federal Stafford Student Loan may receive a non-subsidized Federal Stafford Loan. The student will be responsible for the interest payments while in school on an unsubsidized loan.
  - (f) Forgiveness provisions for certain education majors.
3. Direct Loans
  - (a) Federal Loan Program based on financial need as determined by the FAFSA.
  - (b) Direct Loans are loans made with federal capital and owned by the federal government. Loan repayments are made to the government.
  - (c) Loan amounts, interest rate, and repayment information is the same as the Federal Stafford Loan.
4. Parent Loans (PLUS)
  - (a) Credit worthiness loan for parents.
  - (b) Loan amounts up to the full cost of education minus financial aid.
  - (c) Variable interest rate with a cap of nine percent.
  - (d) Loan disbursed term-by-term.
  - (e) The current interest rate is 6.10 percent but will likely increase for the 2006-2007 academic year when the interest rate will be set on July 1<sup>st</sup>.
5. Alternative Loans
  - (a) Bank of America, GATE, TERI, CitiAssist, Key Bank, Signature, Palmetto Loan through SCSLC, and Education Finance Partners.
  - (b) Varied interest rates.
  - (c) For parents and/or students.
  - (d) Loan amounts up to the full cost of education minus financial aid.
6. South Carolina Teachers Loan
  - (a) Must be a citizen or permanent resident of the US.
  - (b) Must be a resident of South Carolina.
  - (c) Must graduate in the top 40% of their high school and have a SAT or ACT score equal to or greater than the SC average for the year (SAT 993 and ACT 19.4 for 2006-2007).
  - (d) Must be enrolled in good standing at an accredited institution on, at least, a half-time basis.
  - (e) Must be enrolled in a program of teacher education or have expressed intent to enroll in such a program.
  - (f) Must be seeking initial certification in a critical subject area if you already have a teaching certificate.

- (g) Entering freshmen must have participated in the Teacher Cadet Program (May not be required for 2006-2007).
- (h) Freshmen and sophomores may borrow up to \$2,500 per year. Juniors, seniors, and graduate students may borrow up to \$5,000 per year.
- (i) To renew, students must have taken and passed the Praxis I Exam and have a cumulative 2.75 grade point average on a 4.0 scale at the end of the freshman year.

### C. EMPLOYMENT PROGRAMS

1. Federal Work-Study Program
  - (a) A federally and institutionally subsidized program.
  - (b) Based on financial need as determined by the FAFSA.
  - (c) Students may work on campus or in the local community.
  - (d) The hourly wage rate must be at least minimum wage.
  - (e) The student receives an hourly rate of pay for hours worked. The award amount cannot be deducted from the bill.
  
2. Institutional Programs
  - (a) This program is totally funded by the institution. Positions and salary levels vary.
  - (b) Generally limited to areas requiring special skills.
  - (c) The student receives an hourly rate of pay for hours worked. The award amount cannot be deducted from the bill.

## VI. WEB ADDRESS RESOURCES:

### Scholarship Search:

<u>Site Name</u>	<u>Site Address</u>
African American Scholarships	<a href="http://www.free-4u.com/african.htm">http://www.free-4u.com/african.htm</a>
Broke Scholar	<a href="http://www.brokescholar.com">www.brokescholar.com</a>
Club Scholarships	<a href="http://www.clubscholarships.com">www.clubscholarships.com</a>
College Board	<a href="http://www.collegeboard.com">www.collegeboard.com</a>
College Planning Network	<a href="http://www.collegeplan.org">www.collegeplan.org</a>
College Scholarships	<a href="http://www.collegescholarships.com">www.collegescholarships.com</a>
College View	<a href="http://www.collegeview.com">www.collegeview.com</a>
College Xpress	<a href="http://apps.absolutelyscholarships.com">http://apps.absolutelyscholarships.com</a>
Fast Aid	<a href="http://www.fastaid.com">www.fastaid.com</a>
Fast Web	<a href="http://www.fastweb.com">www.fastweb.com</a>
Gates Millennium Scholars	<a href="http://www.gmsp.org">www.gmsp.org</a>
Go College	<a href="http://www.gocollege.com">www.gocollege.com</a>
Hispanic Scholarships	<a href="http://www.hsf.net">www.hsf.net</a>
International Education Financial Aid	<a href="http://www.iefa.com">www.iefa.com</a>
Mach 25	<a href="http://www.collegenet.com">www.collegenet.com</a>
Military Scholarships	<a href="http://www.military.com">www.military.com</a>
Next Student	<a href="http://www.nextstudent.com">www.nextstudent.com</a>
Petersons	<a href="http://www.petersons.com">www.petersons.com</a>
Princeton Review	<a href="http://www.princetonreview.com">www.princetonreview.com</a>
Sallie Mae's College Answer	<a href="http://www.collegeanswer.com/index.jsp">www.collegeanswer.com/index.jsp</a>
Scholarship News	<a href="http://www.free-4u.com">www.free-4u.com</a>
Scholarship Page	<a href="http://www.scholarship-page.com">www.scholarship-page.com</a>

Scholarship Resource Network	<a href="http://www.srnexpress.com">www.srnexpress.com</a>
Search 4 Scholarship	<a href="http://www.freschinfo.com">www.freschinfo.com</a>
Student Awards	<a href="http://www.studentawards.com">www.studentawards.com</a>
Super College	<a href="http://www.supercollege.com">www.supercollege.com</a>
US News	<a href="http://12.47.197.196/usnews/scholarships.cfm">12.47.197.196/usnews/scholarships.cfm</a>

**Financial Aid and Planning Information:**

<u>Site Name</u>	<u>Site Address</u>
Mapping Your Future	<a href="http://www.mapping-your-future.org">www.mapping-your-future.org</a>
SC Commission on Higher Education	<a href="http://www.che.sc.us">www.che.sc.us</a>
SC Tuition Grant	<a href="http://www.sctuitiongrants.com">www.sctuitiongrants.com</a>
SC Student Loan Corporation	<a href="http://www.scstudentloan.sc.edu">www.scstudentloan.sc.edu</a>
Selective Service	<a href="http://www.sss.gov">www.sss.gov</a>
The SmartStudent Guide to FA	<a href="http://www.finaid.org">www.finaid.org</a>
Internal Revenue Service	<a href="http://www.irs.gov">www.irs.gov</a>

**Federal Department of Education Sites:**

<u>Site Name</u>	<u>Site Address</u>
FAFSA on the Web	<a href="http://www.fafsa.ed.gov">www.fafsa.ed.gov</a>
To request a new or duplicate PIN #	<a href="http://www.pin.ed.gov">www.pin.ed.gov</a>
Department of Education General Info.	<a href="http://www.studentaid.ed.gov">www.studentaid.ed.gov</a>
Department of Education Ombudsman	<a href="http://www.ombudsman.ed.gov">www.ombudsman.ed.gov</a>