



Introduction

Welcome to the Office of Admission and Financial Aid. This reference guide will provide you with valuable information regarding your financial aid and scholarship awards while at the University of Dayton. We are partners with families in making the dream of a UD education possible. We are dedicated to ensuring that our students receive all aid for which they are eligible and providing a level of service to our students and families that is consistent with our Catholic, Marianist mission.

There are many sources of funding for higher education and we award our students all federal and state aid for which they are eligible. This includes grants and student loans. We have monthly payment options which many of our families find useful in managing their budget. Also, we are fortunate to be able to award scholarships to our students, which are gifts to UD, from alumni, families, corporations and foundations. These gifts are awarded to our students from our benefactors who are deeply committed to the mission of the University and who wish to support our students.

At times, the process of applying for and receiving financial aid may appear overwhelming. We are only a phone call, a visit or an email away, to help with any questions or concerns you may have. We look forward to working with you over the next several years and sharing in the joy as you graduate from the University of Dayton!

Sincerely,

Robert F. Durkle, '78, '85
Associate Vice President
Dean of Admission and Financial Aid



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Understanding your prospectus

Your financial aid prospectus indicates your financial aid eligibility for the 2017-2018 academic year, as determined by our office, using the information you provided on the Free Application for Federal Student Aid (FAFSA). The prospectus also gives you a look at your four year tuition plan while at the University of Dayton.

The awards included in the letter represent the best combination of financial aid programs we can offer you at this time. Your prospectus may include a combination of the awards listed below and eligibility will be determined in the following order:

- **Scholarships and grants** — funds that do not have to be repaid
- **Educational loans** — borrowed funds that are repaid after graduation
- **School-year employment** — an opportunity to earn funds by working on campus or in a community-service based setting during the academic year

Your eligibility may be revised in any of the following instances:

- Your FAFSA data changes
- Your enrollment status changes
- You are awarded additional resources from internal and/or external sources
- Satisfactory academic progress is not maintained

Responding to your award

We invite you to review this guide before responding to your award. Any loans or employment awards included on your letter are optional, meaning you may accept, reduce or decline them without penalty. Once you have confirmed your enrollment, you may accept, reduce or decline these awards on-line at [PORCHES](#), our student portal.

Let us know about any other financial aid awards you will receive that are not currently listed on your award letter. Please provide us with the name of the award, contact information on the donor, the annual amount and whether the award is renewable. Once you have confirmed your enrollment, you may inform us about such awards, or make corrections to existing awards, by:

- Making updates online at [PORCHES](#)
- Sending an e-mail to admission@udayton.edu

Information about cost of attendance is included with your award letter to assist you in calculating the amount your family will pay each semester. If you anticipate a problem meeting your portion of the costs, please read about our additional payment options in this guide and call us to explore these alternatives.



Determining financial aid eligibility

The Office of Admission and Financial Aid provides our students with a comprehensive set of financial aid opportunities, designed to assist families from all income levels. Many students qualify for a combination of scholarships and grants. Educational loans, school-year employment, alternative loans and payment plans are also available.

Priority for need-based aid is given each year to returning, full-time undergraduate students who have FAFSA results to us by our May 1 priority date. This is later than the priority date for an incoming, first-year student. Applications received after the priority date will still be considered and awards will be made if funds are available.

The FAFSA

In determining your family's ability to contribute to the cost of attendance, federal processors reviewed the information you provided on your 2017-2018 FAFSA and applied the federal formula to determine your expected family contribution. Next, we subtracted your expected family contribution from the cost of attendance at the University of Dayton to determine your financial need. Eligibility for federal, state and University funded need-based aid programs are based on this process.

When you apply for financial aid, the U.S. Department of Education verifies some of your information with various federal agencies, such as the Social Security Administration, Selective Service, Department of Homeland Security, and Department of Justice. Approximately 30 percent of families applying for financial aid are selected for the verification process each year. If your application is selected for review, we will provide you with an estimated financial aid award letter and let you know which documents are needed to complete the verification process and confirm your awards. Necessary documents may include federal tax returns and household certification information.

Appeals

Although the process we use to determine eligibility for need-based financial assistance is the same for all applicants, there is some flexibility. If there are special circumstances affecting the amount your family is able to contribute to your education, we may be able to adjust your expected family contribution. This adjustment may make you eligible for additional need-based financial aid.

Special circumstances include loss of income due to unemployment, death of a parent or spouse, elementary and secondary tuition expenses for younger children attending private schools, unusual medical/dental expenses, and contributions to unemployed adult children, elder care, legal fees and funeral expenses. We consider special circumstances on an individual basis, and you are encouraged to communicate your situation to us as soon as possible. The Appeal Form is available for [download](#) or by contacting our office.



Program descriptions

Scholarships

The academic scholarship program at the University of Dayton offers generous financial awards for academic excellence, leadership qualities or specific talents. Examples of institutional scholarships include:

- **Trustees' Merit Scholarship** (requires a cumulative GPA of 3.0 for renewal)
- **President's Merit Scholarship** (requires a cumulative GPA of 3.0 for renewal)
- **Deans' Merit Scholarship** (requires a cumulative GPA of 3.0 for renewal)
- **Father Chaminade Award** (requires a cumulative GPA of 3.0 for renewal)
- **Transfer Scholarships** (requires a cumulative GPA of 3.0 for renewal)
- **Athletic Scholarship** (renewability determined by the athletic department)
- **Talent Award** (visual arts and music – requires program participation for renewal)

Scholarships are counted as a resource available to the student and may reduce eligibility for need-based aid. Should these awards affect your eligibility for need-based programs, you will receive notification.

Study Abroad Scholarship

The Study Abroad Scholarship was created to assist students with broadening their UD educational experience. It can be used when enrolled in a UD sponsored summer study abroad program that involves **nine hours** of course work or more and is valued at \$3,000.

Grants

Grants, like scholarships, are gift aid — financial aid that does not have to be repaid. Generally, grant amounts are based on financial need, cost of attendance, and enrollment status. There are several sources for grant funding, including federal, state and institutional.

Pell Grant

[The Pell Grant](#) is awarded by the U.S. Department of Education to students who demonstrate the highest financial need. Students who submit the FAFSA will receive a Student Aid Report from the U.S. Department of Education indicating their eligibility for a Pell Grant. Students must file the FAFSA each year to be considered.

Supplement Educational Opportunity Grant

[The Supplement Educational Opportunity Grant](#) (SEOG) is made available by the U.S. Department of Education to the University of Dayton and is awarded to students who demonstrate the highest financial need. Students must file the FAFSA each year to be considered.

Ohio College Opportunity Grant

Recipients of the Ohio College Opportunity Grant must be first-time college students who meet the residency requirements for Ohio. Funding and eligibility requirements are subject to change based on annual review of state budget. Apply by filing the FAFSA each year before October 1.



Grants from other states

Residents of other states are encouraged to apply to the appropriate state agency for any awards that may be used at the University of Dayton. Successful applicants should notify the Office of Admission and Financial Aid regarding the value of awards received so an adjustment can be made to your award package, if necessary.

Forever Flyer Grant

Students who submit the FAFSA will be considered for the Forever Flyer Grant on an annual basis. This grant is used to supplement other forms of non-repayable assistance available to the student from federal, state and private donor sources. The award may be increased or decreased throughout the academic year if additional university awards are received by the student.

UD Dependent of Employee Tuition Remission Grants

Employees of the University of Dayton and their dependents are eligible to receive consideration for this award. The value of this grant is based on employment status and the employee's length of service. To receive the benefit for their dependent, the eligible employee is required to submit the [Tuition Remission Application for Dependent Child](#) annually. This award will replace other University-funded scholarship awards, and it may reduce one's eligibility for student loans. In addition, incoming students receiving this benefit will not be eligible for the Textbook Scholarship program.

Tuition Exchange

This award will replace other University-funded scholarship awards, and it may reduce one's eligibility for student loans. In addition, incoming students receiving this benefit will not be eligible for the Textbook Scholarship program.

Textbook Award

Incoming students who attended an official campus visit and filed the FAFSA by February 1, 2017, will receive the university's textbook award. This award will provide **up to \$500 each semester** (limit eight semesters and no more than two semesters per year) toward the purchase of textbooks when purchased through the University Bookstore.



Student loans

Students, who seek financial aid by completing the FAFSA, may accept educational loans to meet a portion of their educational costs. Loans, however, are optional and may be declined if resources become available from the family to cover this portion of the demonstrated financial need.

Federal Direct Loan

[The Federal Direct Student Loan](#) program offers both a need-based (subsidized) and a non-need-based (unsubsidized) loan. Using the results of your FAFSA, the University of Dayton determines your eligibility. Once you have confirmed your enrollment, you will need to accept, reduce, or decline your loan by logging into [PORCHES](#) and viewing your award. If you choose to accept your loan(s), the U.S. Department of Education will serve as your lender. They will approve your loan and forward your loan proceeds directly to the University of Dayton each semester.

The maximum amount you may borrow depends on your academic class level and dependency status. If you borrow the maximum loan amount at a given class level, you must advance to the next level to qualify for additional Direct Loan funds. Class levels are traditionally measured by the number of credit hours a student has successfully completed:

Class level	Credit hours	Loan maximum <i>(dependent student)</i>	Loan maximum <i>(independent student)</i>
First year	0-29	\$5,500 (up to \$3,500 subsidized)	\$9,500 (up to \$3,500 subsidized)
Second year	30-59	\$6,500 (up to \$4,500 subsidized)	\$10,500 (up to \$4,500 subsidized)
Third year	60-89	\$7,500 (up to \$5,500 Subsidized)	\$12,500 (up to \$5,500 Subsidized)
Forth year	90-120	\$7,500 (up to \$5,500 Subsidized)	\$12,500 (up to \$5,500 Subsidized)
Fifth year	120+	\$7,500 (up to \$5,500 Subsidized)	\$12,500 (up to \$5,500 Subsidized)

We encourage you to read our [‘Federal Direct Loan for Undergraduate Students’](#) document for more detailed information, including current interest rate and origination fee.



Student Employment

There are two funding avenues used for student employment, Federal Work Study and University Funded Employment. Federal Work Study funds are made available in part by the U.S. Department of Education and are awarded by the University of Dayton to those students demonstrating the highest financial need. University Funded Employment is a non-need based program and does not require the FAFSA be filed. The departments at the University of Dayton allocate funds to employ students.

Every student is eligible for part-time employment during the school year. Students who accept employment will receive information in mid-August from [Career Services](#) explaining the application process. Earnings from a part-time campus job can help meet a portion of the demonstrated financial need and employment is an alternative to borrowing when the choice is available. Employment is optional and is not guaranteed. The pay rate begins at Ohio's current minimum wage rate and there are approximately 32 weeks in the aid year for earning potential.

Students will follow the schedule outlined by the individual employer to earn these funds. Students will be paid on the 10th and on the 25th of each month for the hours worked during the pay period. Students are permitted to work up to 20 hours per week during the academic year and up to 40 hours per week during vacation periods. Students are limited to holding one campus position at a time. To be eligible for employment, students must be registered for six or more credit hours per semester and be eligible to work in the United States.



Additional Payment Options

Additional payment options currently include a university payment plan, private educational loans and the Federal Direct PLUS Loan for parents of dependent students. We welcome the opportunity to work with you in determining which option fits best with your family's financial outlook.

Payment Plan

The University of Dayton will once again offer families the option of spreading each semester's remaining balance due out over four monthly payments during the term. Payment is expected to begin in late July and end in late March. Details for this plan, such as application process, cost, etc., will be finalized at a later time at <https://www.udayton.edu/studentaccounts/>.

Anticipated Payment Schedule							
Payment is due by the 22 nd of each month							
Fall 1	Fall 2	Fall 3	Fall 4	Spring 1	Spring 2	Spring 3	Spring 4
Jul	Aug	Sep	Oct	Dec	Jan	Feb	Mar

Additional Loan Options

The Federal Direct PLUS program

The Federal Direct PLUS Loan is a federally guaranteed loan program for parents or guardians of dependent students and is designed to help families meet the costs of educational expenses. If your family is not eligible for need-based financial assistance, the Federal Direct PLUS serves as an alternative resource.

If your family receives financial assistance but wishes to finance all or part of the remaining costs, this educational loan program can close the gap between total costs and the financial assistance offered by the University of Dayton. Eligibility for the PLUS loan is based upon a credit review of the borrower. The students must be enrolled at least half time in a degree or certification program and, along with the borrower, must be a U.S. citizen or an eligible non-citizen to qualify.

Applicants may borrow up to the full cost of attendance minus other assistance during an academic year. The current interest rate is fixed at 6.31%. Interest begins to accrue after disbursement of the loan, and the first monthly payment of principal and interest is due within 60 days of the loan being fully disbursed. Parents do have the option to defer payments until 6 months after graduation. There is a 4.276% fee deducted from the loan at the time of disbursement and funds are disbursed directly to the University. Any credit balance created by the funds will be released to the student, or the individual signed up for E-Refund, no earlier than the first day of classes each semester.

For more information and instructions on how to apply, please visit our [Direct PLUS Loan](#) information page.



Private Loans

Educational loans from private lenders are also available for students. Students are encouraged to apply with a credit-worthy co-signer in order to take advantage of the lowest interest rate possible. In most instances, a variable interest rate can be expected.

Like the Direct PLUS Loan, a student can borrow up to the remaining cost of education for the year. In most cases, repayment is deferred while the student is enrolled at least half-time and the funds are disbursed directly to the University. Any credit created by the funds will be released to the student after the first day of classes each semester.

Please visit our webpage on [loans](#) for the most up to date information regarding private loans.



Factors Affecting Your Award

Financial aid awards may be adjusted throughout the academic year as changes occur in your enrollment status or program eligibility. Most financial aid programs require you to be enrolled as a full-time student (12 credit hours) each semester in order to receive funds. If you anticipate carrying less than 12 credit hours during any semester, we encourage you to speak with a financial aid counselor to discuss your eligibility as a part time student.

FAFSA Updates

If you submit any changes or corrections to the federal processor or as part of the verification process, it may result in a change in your financial aid award.

Additional Scholarships or Resources

We anticipate you will apply for scholarships and grants available to you from both internal and external sources. Report all awards you receive to the Office of Admission and Financial Aid so they can be properly administered. Additional assistance from any source could impact your eligibility for need-based financial aid.

Class Additions, Drops or Withdrawals

Before dropping a class or withdrawing completely after the semester has begun, please contact a financial aid counselor in the Flyer Student Services (St. Mary's Hall, Rm 108) to discuss revisions that may occur in your financial aid eligibility. Additionally, we can discuss the impact dropping courses may have on your financial aid for the following year. If you receive aid from federal and /or state programs but withdraw during a semester, a portion of your aid may be used to cover charges even though you will not complete the semester. A federal or University refund formula will be used to calculate your eligibility based on your withdrawal date.

Academic Suspension or Dismissal

If you are suspended or dismissed, you cannot receive financial aid until you are readmitted. Your financial aid award for the following year will be cancelled and you may reapply after you have been readmitted. The amount of your financial aid awards will be based upon the available funds at the time of readmission.

Residency Changes

Your financial aid award was calculated using the information you provided regarding your housing plans. If you plans change from resident (living in University housing) to commuter (living with parent/guardian or relative), inform us so your financial aid package can be readjusted, if necessary.

Summer Eligibility

Awards are generally made for the fall and spring semesters. Funding is inadequate to cover the additional summer sessions. We recommend, if possible, you use the summer months to work full time, saving your earnings to be applied toward your expenses for the upcoming school year.

Students who choose to take classes during the summer are eligible to work on campus and apply for educational loans to help with expenses. Discuss your situation with a financial aid counselor if you anticipate attending summer sessions.



Educational Abroad Participants

Students who participate in education abroad programs may qualify for a limited amount of financial assistance – usually educational loans – to help defray a portion of the expenses. This aid may affect eligibility for aid during semesters on campus. Speak with a financial aid counselor in Flyer Student Services to discuss your plans and review your eligibility for assistance.

Cooperative Education Students

Students who have been accepted into a co-op program should contact a counselor in Flyer Student Services to discuss how this program may affect your financial aid package. Financial aid will be available to co-op students during only those terms where they are enrolled full-time.

Standards of satisfactory progress

The Higher Education Act of 1965, as amended, requires the University of Dayton to develop and enforce standards of satisfactory progress prior to awarding any federally funded programs to students. In addition, we hold all university and state funds to these standards of progress.

Standards of satisfactory progress are established to encourage students to successfully complete courses for which financial aid is received and progress satisfactorily toward degree completion. Successful completion of a course is defined as receiving a grade of A, B, C, D or S. Courses with grading marks of F, NC, I, W, X, IP, or P (and courses taken for audit) will not be counted as successful completion of the course.

Satisfactory progress guidelines

If your enrollment status varies, each semester will be measured as listed below and equated to a full-time semester to determine eligibility. Thus, two semesters of attendance as a three-quarter-time student equates to one-and-one-half semesters as a full-time student. Two semesters of attendance as a half-time student equals one semester as a full-time student.

Maximum length of eligibility for undergraduate students is shown below:

<u>Status</u>	<u>Length</u>
Full-time (12+ hours)	6 years (12 semesters)
Three-quarter-time (9-11 hours)	9 years (18 semesters)
Half-time (6-8 hours)	12 years (24 semesters)

Credit hours requirement

Full-time students are required to successfully complete at least 12 credit hours during their first year. In subsequent years, they must successfully complete 24 credit hours per year.

Three-quarter-time students are required to successfully complete nine credit hours during their first year. In subsequent years, they must successfully complete 18 credit hours per year.

Half-time students are required to successfully complete six credit hours during their first year. In subsequent years, they must successfully complete 12 credit hours per year.

Grade point average requirement

At the end of the each semester, your cumulative grade point average must be 2.0 or above.



Determination of progress

The Office of Admission and Financial Aid will review your progress in May of each year to verify your eligibility for aid for the next academic year. If you are deficient in either the grade point average or completed hour's requirement, you will be marked as 'no progress' and notified by the end of June.

In order to regain your eligibility, you must satisfactorily improve your cumulative grade point average and/or make up the deficient credit hours at your own expense. You may either attend the University of Dayton or another institution, provided the credit hours can be transferred to the University of Dayton and provided that you do not receive any Federal Title IV Funds while attending that institution.

If you feel there are extenuating circumstances which prevented you from making satisfactory progress, you may appeal our decision to withdraw your financial assistance to the Dean of Admission and Financial Aid. You'll need to explain all pertinent details as to the reasons for your failure to progress, such as injury, illness, death of a relative or other special circumstance, and indicate your plans for making up the deficiency if eligibility for assistance is reinstated.

Payment information

All University of Dayton students have a student account through the Office of Student Accounts. This account summarizes all purchases made for University services, including tuition, fees, room and board, health center, housing damages, financial aid credits and payments made on behalf of the student. The transactions in this account accumulate over the entire enrollment period at the University of Dayton.

Billing procedures

The University's billing process begins in July of each year. Subsequent statements are generated monthly as long as there is a balance due. The statement includes itemized listings of:

- University charges, such as tuition, housing and meal plan
- Financial aid credits, such as scholarships, grants and student loans
- Payments made
- Balances due

If the combination of your financial aid awards exceeds your University charges, and all of these awards have been confirmed, you may withdraw the credit balance in your account after classes begin to use toward other commonly accepted education expenses.

Charges for books and supplies do not appear on the account statement. Be prepared to purchase these items at the beginning of each semester.

Student employment awards, which are noted on your award letter, do not appear on your account statement. You must be employed and working on campus to receive these funds. You will be paid on the tenth and twenty-fifth of each month by direct deposit to the bank account of your choosing. You may apply the money to your University bill or use the funds for personal expenses.

Payment is due by the date on the front of your statement. If you would prefer to spread the costs over the term, please review the information regarding our payment options.



Cancellation and refund policies

If you withdraw your registration before the first day of classes, a full refund will be made — with the exception of the enrollment deposit. Withdrawal should be made by using the official drop form, which can be obtained in the registration office or by letter to the appropriate dean.

Students who do not attend classes and do not officially withdraw during the cancellation period will be responsible for the full amount of the applicable tuition and fees.

During the four-week cancellation period for the fall and spring terms, the tuition and housing refunds will be made according to the following schedule:

If you cancel during	% of charges refunded
the first week of term	80%
the second week of term	60%
the third week of term	40%
the fourth week of term	20%
the fifth week of term	0%

During the two-week cancellation period for each session of the split summer term, the tuition and housing refunds will be made according to the following schedule:

If you cancel during	% of charges refunded
the first week of session	65%
the second week of session	35%
the third week of session	0%

Financial adjustments for tuition are based on the date the drop form is finalized in registration. Financial adjustments for housing are based on the date the checkout procedure is completed with housing, if applicable.

If you are eligible for a refund of charges under the policy outlined above and you received any University-administered assistance, your assistance will be adjusted to reflect the reduced cost. The Office of Admission and Financial Aid will notify you of any changes to your awards.

For comprehensive information about refund policies, please check with the [Office of Student Accounts](#).



Renewal process

Consideration for financial aid is based on an annual review of the family's financial situation by the Office of Admission and Financial Aid. In order for us to determine your eligibility, you must complete either a new FAFSA or the renewal FAFSA each year.

Our priority deadline for receiving your valid FAFSA results each year is May 1st. The amount of need-based financial aid available to you may vary from year to year depending on your family's circumstances. For example:

- Increases in family income and/or assets may result in a decrease in need-based assistance.
- Decreases in family income and/or assets may result in an increase in need-based assistance.
- Increases in family size and/or number of dependents in college may result in an increase in need-based assistance.
- Decreases in family size and/or number of dependents in college may result in a decrease in need-based assistance.

If you have any questions about renewing your financial aid awards, please contact the Office of Admission and Financial Aid.

Tax benefits

The Taxpayer Relief Act of 1997 created several new tax benefits for families who are paying for higher education or repaying educational loans. These tax benefits are designed to make higher education more accessible and affordable.

More details about these programs are available in [IRS publication 970](#). If you have specific tax benefit questions, please contact your tax adviser or the IRS Help Line at 800-829-1040.

Tax credits

Tax credits are higher education tax incentives promoting expanded educational opportunities. The University of Dayton's Office of Student Accounts will provide current students with IRS Form 1098-T, used to claim educational tax credits, by the end of January each year. Two tax credits are available, but both credits cannot be claimed for the same student in the same year.

[American Opportunity Tax Credit](#)

The American opportunity credit modified the previous Hope credit for tax years 2009 and 2010, making it available to a broader range of taxpayers. Income guidelines are expanded and required course materials are added to the list of qualified expenses. Many of those eligible will qualify for the maximum annual credit of \$2,500 per student. The credit is only allowed for the first four years of post-secondary education.



[Lifetime Learning Tax Credit](#)

The Lifetime Learning tax credit is available to people who are not eligible for the American Opportunity tax credit. It is targeted to students who want to return to school, as well as college juniors, seniors, and graduate and professional degree students. The student may be enrolled full-time, half-time or less than half-time. The student is not required to be in a degree-seeking program. The credit maximum is \$2,000. The taxpayer may claim only one Lifetime Learning tax credit per year, but it may be claimed for an unlimited number of years. Dependent students may not claim the credit.

[Tuition and Fees Tax Deduction](#)

The tuition and fees tax deduction can reduce your taxable income by as much as \$4,000. This deduction is taken as an adjustment to income, meaning you can claim this deduction even if you do not itemize deductions. You cannot claim the deduction if you or anyone else claims an American Opportunity or Lifetime Learning tax credit. This deduction may be beneficial to those whose income makes them ineligible for the American Opportunity or Lifetime Learning tax credits.

[Student Loan Interest Deductions](#)

The student loan interest deduction can reduce your taxable income by as much as \$2,500. Taxpayers who have taken out loans to pay for the cost of attending an eligible educational institution for themselves, their spouse or their dependent(s) generally may deduct the interest paid on these loans. To be eligible, a loan must have been used to pay qualified education expenses at an eligible educational institution. The student must have enrolled at least half time in an undergraduate or graduate degree program leading to a degree or certification. The deduction is for any loan meeting the eligibility requirements, including federal loans and those issued by schools, banks and not-for-profit associations.

[Coverdell Education Savings Accounts](#)

A Coverdell Education Savings Account (ESA) is a savings strategy designed to help parents and students save for education expenses. Accounts are established for a beneficiary — someone who is under the age of 18 or is a special needs beneficiary.

The beneficiary will not owe taxes on the distributions if they are less than the beneficiary's qualified education expenses while at an eligible institution. The benefit applies to higher education expenses, as well as elementary and secondary education expenses. The account is treated as parents' asset for financial purposes.

There are contribution limits based on the taxpayer's modified adjusted gross income. The total contributions for the beneficiary of this account cannot be more than \$2,000 per year, no matter how many accounts have been established. Contributions to a Coverdell ESA may be made until the due date of the contributors return, without extensions.

[Qualified tuition plans](#)

Qualified tuition plans allow families to save for tuition, as well as certain room and board charges, for students who attend college at least half time. Parents, grandparents, friends and even the student may contribute. No tax is due in connection with the plans until the money is withdrawn.



529 College Savings Plan

The 529 College Savings Plan allows parents to save for college tax-free and tends to have a low impact on need-based financial aid eligibility. Unlike prepaid tuition plans, there is no lock on tuition rates and no guarantee. The value of this plan is counted as an asset of the account owner when completing the FAFSA, unless the owner is a dependent student.

Prepaid Tuition Plan

Prepaid tuition plans are college savings plans guaranteed to increase in value at the same rate as college tuition. Prepaid tuition plans are exempt from federal income taxes and, in some cases, exempt from state and local income taxes. The value of this plan is counted as an asset of the account owner when completing the FAFSA, unless the owner is a dependent student.

1098-T statement

The 1098-T statement will provide you with your annual educational expense information needed for filing your tax return. The university is required to send this information to each student and the IRS by January 31 of each year. The Office of Student Accounts is responsible for generating the 1098-T.

Taxability of Student Financial Aid and Loan Forgiveness Programs

Scholarships, fellowships, and grants that you received and that are reported on the 1098-T may need to be reported as taxable income in certain circumstances, but are often tax-free. In general, if you are pursuing a degree, certificate, or program of training towards gainful employment, and used the funds to pay tuition, fees, or required books, supplies and equipment, these sources of assistance are not counted as taxable income.

If you've received a student loan that states it can be forgiven, cancelled, or paid if you work for a certain period of time, in certain professions, for any of a broad class of employers, then the amounts forgiven may qualify for tax-free treatment.

Glossary

Capitalization

Capitalization allows you to delay paying interest on a loan while you are in school. The unpaid interest is added to the principal balance of a loan. Interest is then charged on the new balance, including both the unpaid principal and the accrued interest. While capitalization delays interest payments, it increases the monthly payment and the amount of money you will eventually have to repay.

Default

A loan is in default when you fail to pay on time or do not meet the terms and conditions of the loan. If you default on a loan, the University, lender, and state and federal entities can take legal action to recover the money. Defaulting on a federal loan can make you ineligible for future federal financial aid and affect your credit rating.

Deferment

Deferment occurs when you are allowed to postpone repaying a loan. Most federal loan programs allow you to defer your loan(s) while you are in school at least half time. If you have a subsidized loan, the US Dept. of Education pays the interest during the deferment period. If you have an unsubsidized loan, you are responsible for the interest that accrues during the deferment period.



Dependent Status

To be considered a dependent, you must live with a parent or guardian who provides more than half of your support. Spouses do not count as dependents in the federal methodology.

Disbursement

Disbursement is the release of loan funds to the University. Loan funds are credited to your student account and pay for tuition, fees, housing and meal services, and other miscellaneous charges.

Eligible Non-citizen

An eligible noncitizen is a person who is not a U.S. citizen but is eligible for federal student aid. Eligible noncitizens include U.S. permanent residents who hold valid green cards, U.S. nationals, individuals who hold form I-94 and have been granted refugee or asylum status, and certain other noncitizens.

Enrollment Status

Enrollment status indicates whether you are a full- or part-time student. To qualify for most forms of financial aid you must be enrolled full time.

Expected Family Contribution (EFC)

EFC is the amount of money your family is expected to contribute to your education for that academic year. It is determined using a federal methodology and considers the amount of money your family can contribute, dependency status, family size, number of family members in school, taxable and nontaxable income, and assets (see Free Application for Federal Student Aid).

Financial Aid

Financial aid is money provided to help you pay for your education. Financial aid programs offered include scholarships, grants, loans and school-year employment.

Fixed Interest

In a fixed interest loan, the interest rate remains the same for the life of the loan.

Forbearance

Forbearance of a loan means the lender allows you to temporarily postpone repaying the principal. However, you must continue paying the interest charges during the forbearance. Forbearances are granted at the lender's discretion, usually in cases of extreme financial hardship or unusual circumstances.

Free Application for Federal Student Aid (FAFSA)

The FAFSA is the form used to apply for financial aid. It will be used to determine your eligibility for federally subsidized loans, grants, work study funds and other need-based aid. It is also the required application for the unsubsidized loan.

Gift aid

Gift aid, including grants and scholarships, is a form of financial aid that does not need to be repaid.

Loan

Educational loans are borrowed funds that must be repaid, with interest, after graduation or after a dropping below half-time status.

Master Promissory Note

A Master Promissory Note is a binding legal document you sign before loan funds can be disbursed. The promissory note states the terms and conditions of the loan, including repayment schedule, interest rate, deferment policy and cancellations. By signing this note you are agreeing to those terms and conditions.



Need

Need is the difference between how much it costs to attend a particular school and your expected family contribution. The financial aid package is based on your amount of financial need.

$$\text{Cost of Attendance (COA)} - \text{Expected Family Contribution (EFC)} = \text{Financial Need}$$

Origination fee

Charged at disbursement, the origination fee compensates the bank for the cost of administering the loan.

Principal

Principal is the amount of money borrowed or remaining unpaid amount on a loan. Interest is charged as a percentage of the principal. Insurance and origination fees may be deducted from this amount before disbursement.

Repayment schedule

The repayment schedule discloses the monthly payment, interest rate, total repayment obligation, payment due dates and term of the loan.

Repayment term

The repayment term is the period during which you are required to make payments on your loans. When the payments are made monthly, the term is usually given as a number of payments or years.

Subsidized Direct Loan

For a subsidized loan, the U. S. Dept. of Education pays the interest on the loan while you are in school and during any deferment periods. Since it is a need-based loan, eligibility is determined by using the results of the FAFSA.

Unsubsidized Direct Loan For an unsubsidized loan, you are responsible for the interest from the date the loan is disbursed — even while you are enrolled in school. You may choose to pay the interest while you are in school to avoid capitalization. Unsubsidized loans are not based on financial need but you must file the FAFSA to be eligible.

Variable interest

In a variable interest loan, the interest rate changes periodically. The rate may increase or decrease monthly, quarterly, semi-annually or annually.