



Montgomery College Office of Student Financial Aid

Award Conditions

2006 –2007 Award Year

Office of Student Financial Aid
301-279-5100-phone
301-353-7814—fax

Regular Business Hours:

8:30 am to 7:00 pm Monday—Thursday
8:30 am to 5:00 pm on Fridays

Who Is Eligible For Student Financial Aid?

Montgomery College designed its financial aid program to assist students whose family or personal circumstances would prevent them from meeting college expenses. Financial aid includes grants, scholarships, loans, and student employment.

You may be eligible for aid if you meet the following requirements:

- Enrollment in an eligible degree or certificate program. (Enrollment in at least 6 credit hours each semester is necessary for some types of financial aid)
- U.S. citizen or an eligible non-citizen
- Demonstration of financial need through the federal formula
- Satisfactory academic progress toward completion of an associate degree or a one-year certificate program
- Not be in default on Federal Perkins Loans, Federal Stafford Loans, or Federal SLS/PLUS loans
- No refunds owed on Federal Pell Grants or Federal Supplemental Educational Opportunity Grants (FSEOG)
- Report all financial aid awarded by private sources (such as scholarships, loans, employer reimbursement, and other third-party payments)

- Meet all additional federal, state, and institutional eligibility requirements for financial aid
- High school graduate, GED recipient, or passing scores on an approved ability-to-benefit test. (Students younger than age 16 without a high school diploma or GED are **not** eligible for federal and most state student financial aid)
- No concurrent enrollment in high school at any time during the award year. (See “Special Programs for High School Students”)

You must report any change in your family financial situation or school enrollment (including attendance) to the Office of Student Financial Aid. You must report any change in your name, address, or phone number to the Office of Admissions & Enrollment Management.



How Is Financial Aid Awarded?

Montgomery College uses the federal government’s formula to determine your ability to pay for your education. We collect eligibility information on the Free Application for Federal Student Aid (FAFSA) that you submit to the federal processor. The formula considers your family income (including your parents’ income if you are dependent and your spouse’s income if you are independent), the size of your family, the number of family members attending college at least half-time (**not** including your parents), and your family’s assets. Federal, state, and local taxes paid, social security paid, and an allowance for supporting the family are also factors in determining your **Expected Family Contribution (EFC)**. This amount represents what the formula says your family can contribute to your educational costs.

The Office of Student Financial Aid constructs average budgets that include tuition, fees, books, transportation, and living expenses. These budgets are the **Cost of Attendance**. The Office of Student Financial Aid subtracts the Expected Family Contribution from the Cost of Attendance. The difference between the Cost of Attendance and the Expected Family Contribution is your **Financial Need**. (Students who register for less than six credit hours each semester may not have financial need for most types of aid, except Pell Grants.) We review and award applications for financial aid in the order they are received, completed, and verified.

You may use your financial aid to pay for developmental course work. (For additional information, see the Satisfactory Academic Progress Policy.) Refer to the Schedule of Classes for the credit hour equivalent for developmental classes. Financial aid does not cover continuing education courses or classes students register for as “Audit.”

Individual Program Information

(Please note: Your financial aid award package may not contain funds from all of these programs.) Your initial financial aid awards are based on full-time enrollment (minimum registration of 12 credit hours per semester). If you do not enroll full-time, your financial aid may be reduced or cancelled, depending on the rules of the specific program.

Federal Pell Grant

This is the federal government's primary grant program. We determined the amount of your award using your federal Expected Family Contribution and your enrollment level. We always base the initial award on full-time enrollment (minimum of 12 credit hours per semester). It is adjusted for enrollment of three-quarter time (9 to 11 charged credit hours—75% of the full-time semester award), half-time (6 to 8 charged credit hours—50% of the full-time semester award), and less than half-time (1 to 5 charged credit hours—25% of the full-time semester award).

The determination of the credit hours your Pell Grant can pay for is based on your enrollment at the time your financial aid file becomes complete. If your file becomes complete before the

semester Pell cut-off date, you are paid for the hours in which you are enrolled on the cut-off date. (See the Schedule of Classes for each semester's Pell enrollment cut-off date.) If your file becomes complete after the cut-off date, your Pell Grant pays for the hours in which you are enrolled on the day you complete your financial aid file. Students who do not enroll full time and do not receive the full

amount of Pell Grant in both the fall and spring semesters, or who do not attend either fall or spring semesters, may be eligible for summer Pell Grant.



Academic Competitiveness Grant

This is a new federal grant program. The US Department of Education is still establishing guidelines for this grant. It is designated for first time college students who are US Citizens receiving a Pell Grant and are enrolled full-time (minimum of 12 credit hours per semester); in addition, these students must have graduated from a rigorous secondary school program of study as is determined by the state in which they graduated. The first-year grant is \$750; the second-year grant is \$1,300. Second-year students must have a cumulative 3.0 grade point average

to receive the grant. The grant may be pro-rated between semesters or reduced or cancelled for a semester of part-time (less than 12 credit hours) enrollment. Each grant may only be received once. If you believe that you meet these criteria and were not awarded this grant notify the Office of Student Financial Aid.

Federal Supplemental Educational Opportunity Grant (SEOG)

This federal grant program supplements the Pell grant of students with exceptional financial need. The federal government provides MC with a limited amount of SEOG to award to students. We base your initial award on full-time enrollment (minimum of 12 credit hours per semester). It will be reduced for less than full-time enrollment.

Board of Trustees Grant (BOT)

This is an institutional grant program directly funded by Montgomery College. To receive a Board of Trustees Grant, students must have financial need and maintain at least a *cumulative* 2.0 grade point average (GPA). You may only use a BOT Grant to pay tuition and fee charges.

If your tuition and fees are waived for any reason, or are covered by a tuition-specific award, we will cancel your BOT Grant.



Private Scholarships, and State Grants and Scholarships

Organizations and agencies outside of Montgomery College award these funds. These agencies have their own eligibility requirements to receive and renew these awards. We do not credit private and state scholarships to student accounts until we receive the funds from the state agency or sponsor issuing the awards. This includes Maryland State Scholarships and Grants as well as DC TAG and LEAP funds. Maryland State Campus Based Educational Assistance Grants are awarded through Montgomery College to full-time students who are Maryland residents and meet the state's criteria for the

award. Maryland State Part-Time Grants are awarded per semester to Maryland State residents with financial need who enroll in 6 – 11 credit hours in the semester the award is made. Priority for part-time grants is given to students who lose other Maryland-state grants due to part-time enrollment.

Federal Perkins Loan

This is a low-interest federal loan for students with exceptional financial need. The

federal government provides Montgomery College with a limited amount of funds to award students. Students

must repay the loan to Montgomery College. Students receiving a Federal Perkins Loan must sign a promissory note before funds are credited to student accounts. The Office of Student Financial Aid will notify you in writing about when and where to sign



Federal Stafford and PLUS Loans (FFELP)

Federal Stafford Loans or PLUS Loans are not automatically included in your financial aid award package. Stafford Loans can only be obtained by completing a Student Loan Processing Form. Before a processing form can be submitted you must attend an in-person student loan informa-

tion session. We will then determine your eligibility and process your loan. Students requesting PLUS loans must submit the appropriate loan application to the Office of Student Financial Aid. Stafford and PLUS loan recipients must register for at least six credit hours each semester and remain registered at least half time until their loans are certified. If you drop below six credit hours

in a semester or completely withdraw from school, you may not receive the full amount of your loan or the loan may be cancelled.

New borrowers at MC receiving Stafford and PLUS Loans must sign a master promissory note before funds are credited to student accounts. Your funds are deposited directly to your student account at the college if your lender participates in Electronic Funds Transfer (EFT). Lenders who do not participate in EFT issue checks payable to the student or to the student and the college. The student must endorse the check in the Cashiers Office. Federal PLUS loans must be endorsed by the parent and returned to the Office of Student Financial Aid before any funds are released to the parent.

Federal Work Study

Federal Work Study (FWS) is a student employment program. The award does not credit to your student account and does not pay your

college charges directly. Students must request FWS awards at one of the MC campus financial aid offices. If you receive a FWS award, the Office of Student Financial Aid will help you find a job on campus

or off campus in a community service agency. The college pays you bi-weekly for the hours you work in each pay period. The college directly deposits student earnings from FWS jobs to the student's personal checking or savings account after you are placed in a job and complete a time sheet. Students may not work in FWS jobs until all required employment paperwork has been completed and returned to the Financial Aid Office.

How Financial Aid Pays Your Bill

The college disburses financial aid awards on a semester basis. We credit all financial aid proceeds, including student loans, to your student account at the college. The awards pay for all outstanding tuition and fees for the semester awarded. You can apply for a book credit at your campus financial aid office to pay for your books and supplies. If you have a credit balance after all outstanding obligations are met, the college will issue you a refund check. The college sends refunds of any balance remaining after all your charges are paid approximately four weeks after the semester begins, if your aid has been awarded and credited to your bill. Awards from differing sources may credit to your account at different times.

Sometimes the amount of your financial aid is not enough to pay your entire semester bill at the college. **If you have any amount of financial aid referenced on your semester bill, your classes will not be deleted for the semester at the time payment is due.** You must still pay the balance of your bill. If you need additional financial aid to pay your bill, you may want to consider requesting a Federal Stafford Loan, if you have not already done so. Students are responsible for all charges not covered by financial aid. If you have financial aid referenced on your semester bill and you determine that you do not wish to attend MC for the semester, you must manually withdraw from any classes you have registered for prior to the refund date in order to not be liable for those charges.

Special Programs For High School Students

Students who are dually enrolled in high school and Montgomery College may be eligible for the Maryland State Dual Enrollment Grant or a Board of Trustees High School Grant. A limited amount of funding is available. These programs have a separate application form, which is available at campus Financial Aid Offices, or on the web at www.montgomerycollege.edu/finaid.



Book Credits

Students who receive financial aid in excess of their tuition and fee charges may use their funds to pay for required books and supplies at any MC bookstore. If the only financial aid you receive is a PLUS Loan, BOT grant or a tuition-specific award, you do not qualify for a book credit.

The Office of Student Financial Aid issues book credits at the beginning of August for the fall semester and the beginning of December for the spring semester. Check with the financial aid office for specific start dates.

Attendance And Withdrawal From Classes

You must be attending all of your classes in order to receive financial aid. The Office of Student Financial Aid must document your attendance in classes. Your financial aid may be canceled if you are not attending classes, even if you have not officially withdrawn from school and still owe a bill for tuition and fees. Non-attendance may be considered an unofficial withdrawal from school.

If you receive financial aid from federal Title IV funds and completely withdraw from MC, the

college returns your funds to the proper financial aid accounts on a proportional basis. Title IV funds includes Federal Pell Grant, FSEOG, Federal Perkins Loan, FWS, and the Federal Family Education Loan Programs. You may owe a bill for tuition and fees to the college after we reduce your financial aid. Your official withdrawal date may be the date you process the withdrawal, or the documented date you stopped attending classes. Contact your campus financial aid office for examples of how this

process affects the repayment of financial aid. Withdrawing from classes, dropping classes, or failing classes can have an effect on your satisfactory academic progress and ability to receive future financial aid.

Important Dates

January 1 – First day to file the FAFSA for the following academic year beginning in the fall (you must reapply every academic year!)

March 1 – deadline to file your FAFSA for Maryland State Scholarships

May 15 – priority deadline for fall aid at Montgomery College

June 1 – deadline for submitting an MC Foundation Scholarship application

November 1 – priority deadline for spring aid at Montgomery College, if you did not apply in the fall

Reapplication

You must reapply for financial aid every academic year. Applications are available in the Office of Student Financial Aid and at www.fafsa.ed.gov at the beginning of January for the following academic year that begins in September. You are encouraged to watch for financial aid news through campus media such as the web, newsletters, student newspapers, or bulletin board displays.



Montgomery College Office of Student Financial Aid
51 Mannakee Street, Rockville, MD 20850

G I F T A I D	G R A N T S	FINANCIAL AID PROGRAM	FORMS REQUIRED:	Min./Max. Awards (One yr.)	Description
		Federal Pell Grant	FAFSA	\$400 - \$4,050	Largest federal grant program. Need-based. Eligibility determined by Department of Education.
Federal Supplemental Educational Opportunity Grant (SEOG)	FAFSA	\$200 - \$1,000	Need-based awards dependent upon federal funding to college.		
Board of Trustees Grant (BOT) A. Need-based B. Academic Potential	FAFSA BOT Application	\$200 - \$2,000 Tuition Only Tuition Only	Need-based. Cummulative GPA of 2.0 req'd. Recommended by high school.		
DC TAG DC LEAP	(202) 727-6436 www.seo.dc.gov	Varies	Need-based awards. Eligibility determined by DC State Education Office.		
Maryland State Scholarships	FAFSA by March 1, 2006 for 2006/2007	Varies	Need-based awards. Eligibility determined by State OSFA.		
Montgomery College Foundation Scholarships	FAFSA, Grade Transcript and MC Foundation Scholarship Application	Varies	Criteria established by donors. Need and academic record reviewed. Minimum GPA of 3.0.		
S E L F H E L P A I D	L O A N S	Federal Perkins Loan - formerly NDSL	FAFSA	Up to \$4,000	5% loan owed to MC. Need-based and dependent upon funding.
		Federal Stafford Loan (Subsidized)	FAFSA Loan Request & Entrance Interview Form	Maximum \$2,625 - Freshman \$3,500 - Sophomore	Need-based loan; interest rate 6.8%.
		Federal Parent Loan for Undergraduate Student (PLUS)	FAFSA & Loan Request Form	Up to Cost of Education	Interest rate - 8.5%. Loan by parent of dependent student. No need test.
		Federal Unsubsidized Stafford Loan	FAFSA Loan request & Entrance Interview Form	Maximum \$6,625 - Freshman \$7,500 - Sophomore	Non-need-based, but Federal Stafford student loan eligibility must be determined. Interest rate is 6.8%.
	W O R K	Federal Work-Study (FWS)	FAFSA	Hourly rate \$7.00 - \$9.00	Need-based. Student is paid every two weeks for hours worked.
		Student Assistantship (SA)	FAFSA	Hourly rate \$7.00 - \$9.00	Not need-based. Student is paid every two weeks for hours worked.



Federal Stafford Loan Processing Information

Please read this information carefully. Reading the information will help you borrow responsibly.

The federal government offers subsidized Federal Stafford loans and unsubsidized Federal Stafford loans to students. Loans are available for students to meet education-related expenses. To apply for a Stafford Loan (subsidized and unsubsidized) at Montgomery College (MC), you must first complete a Free Application for Federal Student Aid (FAFSA) to determine eligibility. When the Financial Aid Office electronically receives the results of your FAFSA, your eligibility for aid will be determined.

For first time borrowers at Montgomery College, an entrance interview must be completed before submitting a Loan Processing Form. In addition, you are required to attend a loan information session. You can electronically complete an entrance interview by:

- going to Montgomery College's home page www.montgomerycollege.edu/finaid - and follow the appropriate link.

Subsidized Federal Stafford Loan

A subsidized Federal Stafford loan is based on a student's financial need. It is a low-interest loan with a standard repayment period that can last up to 10 years. The U. S. Department of Education (ED) pays interest that accumulates on the loan while the borrower is going to school at least half time and during approved deferment periods. Your eligibility for a subsidized loan is determined by the data reported on your FAFSA including the verification of supporting documents, if required. The formula used to determine the loan amount: cost of attendance (COA) minus (-) expected family contribution (EFC) minus (-) estimated financial assistance (EFA). **[COA-EFC-EFA = eligibility for loan]**

Unsubsidized Federal Stafford Loan

An unsubsidized Federal Stafford loan is NOT based on a student's financial need. It is a low-interest loan that requires the student to pay interest on the loan while he or she is going to school and during approved deferment periods. In most cases, a student will have up to 10 years to repay an unsubsidized Stafford loan. A student may choose to have the interest capitalized on the loan rather than make interest payments during these periods. On the back of this guide is a sample capitalization chart for an unsubsidized Federal Stafford loan. Contact your lender for details about capitalization methods and requirements for interest payments. The formula used to determine the loan amount: cost of attendance (COA) minus (-) estimated financial assistance (EFA). **[COA - EFA = eligibility for loan]**

Selecting A Lender

MC provides a list of lenders who offer electronic funds transfer (EFT) to borrowers. EFT allows MC to receive and disburse loan funds through automated wire transfer. For funds received by EFT, MC can directly credit the loan funds to the students school account. Any remaining loan proceeds are refunded to the students mailing address reported to the Office of Records and Registration. EFT speeds up the delivery of loan funds and eliminates the need to stand in line at the Cashiers Office to sign a check. We strongly encourage you to use our lender list; our lenders are chosen based on established working relationships. All lenders listed on this form participate in EFT with MC. For more information about the lenders, visit the MC website, www.montgomerycollege.edu/finaid/lenders.html.

Lender List

Edamerica

AMS

Bank of America

Independence Federal Savings Bank

M&T Bank

National Education

Sallie Mae Education Trust

Sandy Spring

SunTrust Bank

Wachovia (formerly Educaid)

NOTE: USA Funds is Montgomery College's designated guaranty agency.

Deciding How Much To Borrow

First, you should determine the total cost of your education-related expenses for this year. You should include tuition & fees, books & supplies, transportation, child care (if it applies), and personal expenses. Next, subtract from your total expenses the amount of financial aid you have been awarded this year. The remaining balance is what you should borrow in Stafford loan funds. Please pay close attention to the number of credits you have earned before you decide how much to borrow.

First time borrowers at MC are required to sign a new Master Promissory Note (MPN) even if they have borrowed loans at another institution. In addition, repeat borrowers at MC are not required to sign a new MPN, unless they change lenders.



Academic Year	Dependent Student	Independent Student	
	Maximum Federal Stafford (Sub Only)	Maximum Federal Subsidized	Maximum Federal Unsubsidized*
	Annual Limits		
Grade Level 1 0-27 Credit Hrs	\$2625	\$2625	\$4000
Grade Level 2 28 Credits or more	\$3500	\$3500	\$4000

*Includes dependent students whose parents are denied a Federal PLUS Loan.

Students may not be eligible to borrow up to the maximum loan limits because:

1. Loan awards cannot exceed the students cost of attendance less other aid awards (refer to the MC Paying Your Way Guide for Cost of Attendance example);
 2. Subsidized loan eligibility is based on need;
 3. Loans borrowed previously at MC and other colleges are included in maximum eligibility limits at MC not to exceed two times per grade level; and
 4. Students need to be in a degree program or approved certificate program. See MCs Catalog for more information.
- You must be enrolled for at least 6 billing hours to receive a loan.
 - You must be making Satisfactory Academic Progress (SAP) as described in the policies and procedures included with your award letter.
 - No loans may be certified beyond grade level 2.
 - A student's dependency status is determined by the results of his or her FAFSA, not by MC. Parents of dependent students may borrow a Federal PLUS Loan up to cost of attendance less other awards. **[COA-EFA= eligibility for a PLUS Loan]**
 - Students who stop attending all classes without officially withdrawing will be subject to a financial aid refund calculation at the end of the semester. The calculation is based on the last documented date of attendance as reported by faculty. Please be advised that MC will bill you for any balance due.

Important Points To Remember

- All Stafford loans must be repaid with all interest that applies.
- A Stafford loan cannot be processed until your financial aid file is complete and awarded.
- All first time borrowers at MC must complete an entrance interview and attend a loan information session before a loan application will be processed.
- For one-semester loans, the financial aid office may reduce the requested loan amount based on the student's one-semester budget.
- Stafford loan proceeds are sent to MC starting 30 days after the first day of classes of each semester. The funds may be sent later based on when the student applies and/or when the student's file became complete.
- Loans are disbursed in equal amounts throughout the loan period. For two-semester loans, students will receive one disbursement for the fall semester and one disbursement for the spring semester. For one-semester loans, students will receive one single disbursement within the semester.
- All Stafford Loan borrowers must maintain at least six credit hours to have their loan processed each semester. **(No audit courses)**
- All borrowers who do not maintain at least six credit hours will be required to complete an exit interview.
- MC can refuse to certify your loan, or can certify a loan for a lesser amount than you requested. MC's decision is final and cannot be appealed to the U.S. Department of Education (ED).
- Prior outstanding Stafford loans from other institutions of higher education may affect your loan eligibility at MC.
- Students who have borrowed their maximum at their grade level may appeal to the Office of Student Financial Aid for consideration for additional eligibility.
- Students who have defaulted on previous loans may not borrow loans at MC. Students who wish to borrow and have either cleared their defaults or have made satisfactory repayment arrangements may appeal to the Office of Student Financial Aid at any campus. Students with loans currently in default are ineligible to receive ANY type of Title IV federal financial aid.

Transfer Students

If you are receiving financial aid at another school, you must cancel that aid in order to receive financial aid at MC. You are not allowed to receive financial aid at more than one school for the same enrollment period. You must also complete the financial aid application process at MC if you would like to receive aid at MC.

Deferment and Repayment Requirements

Each loan program has its own deferment and repayment requirements. To prevent entering your grace period or repayment prematurely, your lender or current holder of your loan should be immediately notified in writing of the following:

- your decision to transfer to another eligible school
- any name or address change
- any enrollment status changes (for example, dropping below half-time enrollment)
- any changes to your expected graduation date (at MC or any other school)

When Does Repayment Begin?

For Federal Stafford loans, you must begin repayment after your grace period ends. The grace period for most borrowers is six months, and begins the day after you graduate or drop below half-time enrollment status. Borrowers generally have up to 10 years to repay their loan(s) and must make minimum monthly payments of at least \$50.

Avoid Costly Interest Accumulation

Students may choose to postpone interest payments on their unsubsidized Federal Stafford Loans until after graduation. To avoid extra costs, you should consider making interest payments while in school (see tables below). Please contact your lender or your loan servicer for convenient interest payment arrangements.

Dependent Students			
Year	Maximum Borrowed	Unpaid Balance	Year-End Capitalized Interest
1 st	\$2,625	\$2,625	\$172.66
2 nd	\$3,500	\$6,125	\$402.86
3 rd	\$5,500	\$11,625	\$764.62
4 th	\$5,500	\$17,125	\$1,126.37
Total Capitalized Interest			\$2,466.51*

Independent Students			
Year	Maximum Borrowed	Unpaid Balance	Year-End Capitalized Interest
1 st	\$6,625	\$6,625	\$435.75
2 nd	\$7,500	\$14,125	\$929.05
3 rd	\$10,500	\$24,625	\$1,619.67
4 th	\$10,500	\$35,125	\$2,310.30
Total Capitalized Interest			\$5,294.77*

*Calculations based on 6.8% interest rate

What Are The Consequences of Default?

Students requesting student loan funds who are in default on a student loan may not receive additional financial aid until the default status is removed by the Guarantor, the U.S. Department of Education, or the school where that default occurred. To review your complete borrowing history, visit the National Student Loan Data System at www.nslds.ed.gov. Remember, failure to repay your student loan(s) may result in your wages being garnished, negative reports being sent to credit bureaus, income tax refunds being withheld, and legal action being taken against you.

**IF YOU HAVE ANY QUESTIONS REGARDING THE FEDERAL STAFFORD LOAN PROGRAM,
VISIT OR CALL YOUR CAMPUS FINANCIAL AID OFFICE.**

GERMANTOWN:
(301) 279-5100
20200 Observation Drive
Science Building, Rm. 140
Germantown, MD 20876
gtfinaid@montgomerycollege.edu

ROCKVILLE:
(301) 279-5100
51 Mannakee Street
Student Service, Rm. 118
Rockville, MD 20850
rfinaid@montgomerycollege.edu

TAKOMA PARK:
(301) 279-5100
7600 Takoma Avenue
Student Service Pav. Rm. 221
Takoma Park, MD 20912
finaidqt@montgomerycollege.edu

Big Savings with Edamerica

Students can save up to 6% on their Stafford Loans with Edamerica as their lender. Here's how:

- Zero origination fees for **ALL** Stafford borrowers means more money in your loan check.
- 4% rebate of the original principal balance after the first 33 on-time, automated payments are made with SmartPay.

Parents who choose Edamerica for their PLUS Loan also receive big savings!

- **Immediate** 1% interest rate reduction for all PLUS borrowers.
- Additional 0.25% interest rate reduction when parents enroll to have payments withdrawn through automatic debit.
- Rate reduction benefits are maintained throughout the life of the loan with continuous on-time payment.
- Parents may postpone payments or make interest-only payments for up to 48 months while their student is enrolled in school at least half time.



Please contact the Financial Aid Office for more information.



800.337.1009 • www.edamerica.net • Lender Code #831453



Montgomery College

Office of Student Financial Aid

2006-2007 Federal Stafford Loan Processing Form

Information about you

- 1. First Name: _____ Last Name: _____
- 2. Social Security Number: _____ 3. Date of birth: _____
(mm/dd/yyyy)
- 4. Street Address: _____
City: _____ State: _____ Zip code: _____
- 5. Telephone # (Home) _____ - _____ - _____ (Cell) _____ - _____ - _____
- 6. Drivers License # _____ State: _____

Information about requested LOAN

- 7. Is this your first Stafford Loan borrowed while attending Montgomery College?
Yes _____ No _____
- 8. What type of loan(s) do you want to borrow?
Subsidized _____ Unsubsidized _____ Both _____
- 9. For what semester(s) do you want to borrow this loan?
Fall & Spring _____ Fall only _____ Spring only _____
Contact your campus Financial Aid Office to determine spring/summer eligibility.
- 10. How much do you want to borrow? \$ _____ *Review the loan limits on page two of the wrap.*
(Please write a whole dollar amount)
- 11. When do you expect to complete your studies at Montgomery College?
Month: _____ Year: _____
- 12. Does the above completion date refer to the completion of a degree or a certificate?
Yes _____ No _____
- 13. Will you be continuing your studies at another college when you leave Montgomery College?
Yes _____ No _____

2006-2007 Federal Stafford Loan Processing Form

15. What lender do you want to process your loan? For information on each lender please visit www.montgomerycollege.edu/finaid/lenders.html.

Please circle **ONE** selection:

Edamerica
LC: 831453

AMS
LC: 833067

Bank of America
LC: 801871

Wachovia (formerly Educaid)
LC: 811323

Independence Federal Savings Bank
LC: 831036

M&T Bank
LC: 808118

National Education
LC: 630628

Sandy Spring Bank
LC: 821446

Sallie Mae Education Trust
LC: 802218

SunTrust Bank
LC: 819873

U.S. Education Finance Corporation
LC: 833770

For students who have previously borrowed at MC, we will continue using the same lender you selected in prior years in order to maintain the validity of the MPN.

Other Lender : _____ Lender Code : _____

Please provide two complete references. These references must be adults (at least 18 years old) with two different United States addresses. In addition, reference #1 should be a relative.

Reference #1

Reference #2

Name _____ Name _____

Relationship to you _____ Relationship to you _____

Street Address _____ Street Address _____

City/State/Zip Code _____ City/State/Zip Code _____

Home Phone _____ Home Phone _____

STATEMENT OF UNDERSTANDING

I understand this form is not a loan application. I understand the school cannot process my loan if my file is incomplete. I understand the school is neither the guarantor nor the lender of this loan. I understand that any loan I borrow must be repaid with interest. I understand that I will be able to sign my loan application (master promissory note) on the web once my school notifies me. I understand that if I do not complete and sign the loan promissory note and return it to the guarantor promptly (within 30 days); my loan proceeds cannot be disbursed. I understand that if my address or any other information I have provided to the school is not correct or is incomplete that my loan cannot be processed. If you move, you must notify your lender of the address change. I understand that if this is my first Stafford loan at Montgomery College, I must complete an entrance interview before my loan is processed. I understand that my loan proceeds will not be released to the school until 30 days past the first day of classes of each semester and may be later based on when I apply and/or when my file became complete. I understand that I must maintain six (6) credit hours to have a loan processed.

REMINDER: An entrance interview is required for first time borrowers at MC before this form can be submitted.

Student Signature

Date



Montgomery College

Office of Student Financial Aid

2006-2007 Federal PLUS Loan Processing Form

TO APPLY FOR A PLUS LOAN, A FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA) MUST BE ON FILE.
Please fill out all required questions with full data. If you do not fill out the entire form, your loan cannot be processed.
Please make sure that all required parties (parent and dependent student) fill out the correct portions of the form.

Student Section

(to be completed by dependent student - PLEASE PRINT CAREFULLY):

1. Student's First Name: _____ Student's Last Name: _____

2. Social Security Number: _____

3. Permanent Address: _____

4. Telephone: (H) _____ (W) _____

5. Drivers License # _____ State: _____

6. Date of Birth: _____ 7. Anticipated Completion Date: Month _____ Year _____
(MM/DD/YYYY)

8. Does the above completion date refer to the completion of a degree or a certificate? Yes No

9. Will you be continuing your studies at another college when you leave Montgomery College? Yes No

10. Have you ever attended a school other than Montgomery College after high school? Yes No

If yes, please list the school(s):

Dependent Student Signature

Date

Borrower (Parent) Section

1. Parent Borrower First Name: _____ Parent Borrower Last Name: _____

2. Social Security Number: _____ Drivers License #: _____ State: _____

3. Permanent Street Address: _____

City: _____ State: _____ Zip Code: _____

4. Telephone Number: (Home) _____ Date of Birth: _____

(Work) _____

(MM/DD/YYYY)

5. For what semester(s) do you want to borrow this loan:

Fall & Spring

Fall only

Spring only

Contact your campus Financial Aid Office to determine spring/summer eligibility.

6. Total amount you wish to borrow: \$ _____

(Please write a whole dollar amount)

7. Is this the first PLUS Loan you have borrowed while this student attended Montgomery College? Yes No

8. Are you a U.S. Citizen? Yes No If no, are you an eligible non-citizen? Yes No

If yes, your alien registration receipt number: A _____ (you will need to provide a photocopy of your card)

9. Your state of legal residence: _____ Since: _____

10. Tell us about your Employer: Name: _____

City: _____ State: _____ Telephone number: _____

11. Are you currently in default on a federal education loan, or do you owe a refund on a federal student grant? Yes No

12. Do you want your loan proceeds delivered to the school via Electronic Funds Transfer (EFT)? Yes No

13. Do you authorize Montgomery College to send the credit balance incurred by PLUS loan proceeds (received by EFT or paper check) to the dependent student after all Montgomery College charges have been satisfied through the loan credit? Yes No (If no, then the credit balance will be sent to the parents address listed above.)

14. Do you have an outstanding Federal Stafford, Supplemental Loan for Students, Parent PLUS, or Consolidation Loan that was disbursed before July 1, 1993? Yes No

If you checked "yes", do you want to postpone (defer) payment of principal of this loan based on the student's in-school status? Yes No

If you checked "yes", do you want the interest that accrues on this deferred and capitalized? Yes No

PLEASE CONTINUE ON NEXT PAGE

15. What lender do you want to process your loan? Please circle **ONE** selection:
For information on each lender please visit www.montgomerycollege.edu/finaid/lenders.html.

Edamerica
LC: 831453

AMS
LC: 833067

Bank of America
LC: 801871

Wachovia (formerly Educaid)
LC: 811323

Independence Federal Savings Bank
LC: 831036

M&T Bank
LC: 808118

National Education
LC: 630628

Sandy Spring Bank
LC: 821446

Sallie Mae Education Trust
LC: 802218

SunTrust Bank
LC: 819873

U.S. Education Finance Corporation
LC: 833770

For students who have previously borrowed at MC, we will continue using the same lender you selected in prior years in order to maintain the validity of the MPN.

Other Lender : _____ Lender Code : _____

16. References: Please provide two references with different U.S. addresses. Both references must be completed fully.

Name _____ Name _____

Permanent Address _____ Permanent Address _____

City/State/Zip Code _____ City/State/Zip Code _____

Area Code/Telephone _____ Area Code/Telephone _____

Work Phone _____ Work Phone _____

I Affirm and Declare the following:

I am the natural or adoptive parent, or legal guardian of _____

Student's Social Security Number: _____

I declare that I will use any funds I receive under the Federal Pell Grant, Federal Supplemental Opportunity Grant, Federal Work-Study, Federal Perkins Loan (formerly National Direct Student Loan), and the Stafford/PLUS loan programs solely for expenses connected with attendance at Montgomery College. I understand that three (3) percent will be deducted from the PLUS loan for the loan origination fee. I affirm, to the best of my knowledge that I do not owe a repayment and/or I am not in default to the aforementioned programs for attendance at any postsecondary educational institution.

Parent (Borrower) Signature

Date

Big Savings with Edamerica

Students can save up to 6% on their Stafford Loans with Edamerica as their lender. Here's how:

- Zero origination fees for **ALL** Stafford borrowers means more money in your loan check.
- 4% rebate of the original principal balance after the first 33 on-time, automated payments are made with SmartPay.

Parents who choose Edamerica for their PLUS Loan also receive big savings!

- **Immediate** 1% interest rate reduction for all PLUS borrowers.
- Additional 0.25% interest rate reduction when parents enroll to have payments withdrawn through automatic debit.
- Rate reduction benefits are maintained throughout the life of the loan with continuous on-time payment.
- Parents may postpone payments or make interest-only payments for up to 48 months while their student is enrolled in school at least half time.



Please contact the Financial Aid Office for more information.



800.337.1009 • www.edamerica.net • Lender Code #831453

Montgomery College
Office of Student Financial Aid
Standards of Satisfactory Academic Progress
2006-07

When students apply for or receive financial aid, they are required to make satisfactory progress towards attaining a degree or certificate. It is a requirement of both the federal and the state government. The four standards of satisfactory academic progress are described below.

ITEM #1 – Minimum cumulative Grade Point Average (GPA)

Students must maintain a minimum cumulative GPA according to the following chart:

<u>Total Credits Attempted In Classes that are Graded</u>	<u>Minimum Cumulative GPA</u>
1 – 11	1.25
12 – 59	1.75
60 and above	2.00

Board of Trustees Grant and Scholarship recipients must maintain a 2.0 minimum cumulative GPA at all times to continue receiving BOT awards.

ITEM #2 – Minimum Completion of Course Work

Students are expected to successfully complete the classes they register for each semester. Successful completion is a passing grade, such as A, B, C, D, and S. Grades such as U, F, X, AU or W **are not** successful completion. A grade of I (Incomplete) is treated as an F until a final grade is recorded. Repeating classes can lower the completion rate. Changing a class from credit to audit once the semester has begun can lower the completion rate.

The percentage of course work that must be successfully completed each semester is shown below:

<u>Total Credits Billed</u>	<u>Minimum Semester Completion Rate Required</u>
0 – 30	50%
31 and above	70%

Your billed hours for developmental classes and English Language classes are included in the calculation of your semester completion rate. For example, if you take six billed hours of developmental (noncredit) coursework during a semester, and only successfully complete three billed hours, your semester completion rate is 50%. **Financial aid will not pay for continuing education courses or any courses students register for as “Audit.”**

ITEM #3 – Maximum Time Frame

Students must complete their degree or certificate program at Montgomery College within a time frame that is no longer than 150% of the published length of the program. The time frame includes all attempted credit course work at MC, as well as courses from other schools accepted for transfer at MC (regardless of any change in program or any prerequisite course work necessary for admission to a program). The calculation does not include any developmental Math, English, Reading, or AELP courses, including SP102. The appropriate time frame is calculated using the student’s current degree or certificate program, according to the Records and Registration Office.

For example, the General Studies A.A. degree program requires a maximum of 61 credit hours. To maintain financial aid eligibility, students in this program may not attempt more than 92 credit hours.

ITEM #4 – Other Standards

A student cannot receive financial aid for more than the equivalent of one year of non-credit (developmental) courses (30 load hours). The one-year limit does not include EL courses.

Satisfactory Academic Progress Review Process

We review financial aid recipients for satisfactory academic progress **when they apply** for financial aid each year **and at the end of the fall and spring semesters**. (We review summer semester grades at the end of the fall semester.) Students who do not meet the requirements of Items #1 and #2 will be given a warning and placed on probation for one semester. If they do not meet the standards by the end of the next registered semester, their financial aid eligibility will be terminated. Students who do not meet the requirements of Item #3 will have their financial aid eligibility terminated. Students whose eligibility is terminated are not eligible for financial aid until satisfactory academic progress is reestablished.

Appeal Process and Reinstatement of Financial Aid Eligibility

Students who are ineligible for financial aid or who are suspended from financial aid may appeal by submitting a written statement, with appropriate documentation, to the financial aid office. Appeals are reviewed and students are notified of the results in writing. Denied appeals may be submitted to the Campus Director. The Financial Aid Professional Judgment Committee or the Director of Student Financial Aid reviews final appeals, if necessary. Appeals are accepted for 30 days after the notification of financial aid suspension.

Reinstatement of aid eligibility after a financial aid suspension is not automatic when students improve their GPA or completion rate. Students must request a review of their academic progress and aid eligibility. To be considered for reinstatement, students must successfully complete a minimum of six billed hours during one semester with grades of A, B, C, or S in all hours taken. Students must submit a written request containing proof of their academic progress to a campus Office of Student Financial Aid.

Attendance

Students who receive financial aid must attend their classes. Passing grades in classes are proof of attendance. Students who withdraw from all of their classes or fail all of their classes, and do not have any passing mid-term grades, must submit proof of attendance to the Office of Student Financial Aid. A written statement from all instructors that semester certifying attendance or copies of dated, graded class tests or papers are required. If the financial aid office cannot document student attendance for the semester, all financial aid for that semester will be canceled and these students will owe a bill to the college. Financial aid will be canceled within 60 days of the end of the semester unless attendance documentation is provided. The canceled aid usually cannot be reinstated at a later date.

Montgomery College Refund Policy for Tuition and Fees
Treatment of Title IV Funds when Students Withdraw
2006-07

Refund Policy (all students)

To obtain a refund of tuition and fees upon withdrawal from the College, students must complete the appropriate procedure specified by the Office of Admissions and Records. The effective date of a dropped course or complete withdrawal will be the date when written notification is received by the Admissions and Records Office. Refunds of tuition and fees are calculated from the date the student withdraws from a class or classes.

100% refunds of tuition and fees are issued for courses canceled by the College due to insufficient enrollment.

Tuition and Fee Refunds
Fall/Spring/Summer semesters

The refund deadline date is equivalent to 6% of the number of times a course meets. Refunds are paid at 100% for courses dropped on or before the date printed on the confirmation. There are no partial refunds for courses dropped after that date.

For students involuntarily withdrawing from the College, refunds are prorated based on the total amount of expired course time after the first week of classes. A withdrawal is involuntary if it results from one of the following:

- 1). Entering involuntarily on active duty into the armed services;
- 2). Illness of the student or in the immediate family of the student;
- 3). Death of the student or in the immediate family of the student; and
- 4). Involuntary transfer/change in work hours by the student's employer which precludes continued attendance.

Treatment of Title IV Funds when Students Withdraw

Students awarded Title IV financial aid must earn their aid by attending classes. When students completely withdraw from school or stop attending school during a semester, the school must follow rules established by the federal government to determine the amount of financial aid earned.

- When students receive more Title IV funds than they have earned, the unearned portion must be returned to program accounts.
- When students have not received all of their earned Title IV funds, they may still receive disbursements of this aid.

Title IV funds include the following programs:

Federal Pell Grant
Federal Academic Competitiveness Grant
Federal Supplemental Educational Opportunity Grant (FSEOG)
DC LEAP
Federal Perkins Loan
Federal Stafford Loans (subsidized and unsubsidized)
Federal PLUS Loans

The school and the student share responsibility for returning unearned Title IV aid.

- The school returns unearned Title IV funds that have been paid to the school to cover the student's institutional charges.
- The student returns unearned Title IV funds that he or she received from loan and/or grant funds.

Returning Title IV funds to program accounts after the 100% tuition and fee refund period ends may cause students to owe charges to the school. Students must make arrangements with the Student Accounts Receivable Office to pay the debt.

Calculating Earned and Unearned Title IV Aid

Montgomery College uses the SCT Banner "Return of Title IV Funds" program to calculate earned and unearned Title IV aid when students withdraw from school. The software follows the format of the U.S. Department of Education's (ED's) recommended calculation worksheets for credit hour programs.

Period of Enrollment Dates for Academic Year 2006-07

Fall 2006 semester:

Start 9/6/2006

End 12/23/2006

Spring 2007 semester:

Start 1/22/2007

End 5/13/2007

Allowable Institutional Charges

Institutional charges for the period of enrollment (the semester) are tuition and required fees. Montgomery College is a commuter school and does not charge students for room and board.

The cost of books is considered an institutional charge for the purpose of calculating earned and unearned aid when the student uses an MC Book Credit to purchase books at an MC bookstore. Students are not able to use their Book Credits of Title IV aid to pay for books outside of the MC bookstores. If the student does not purchase books with an MC Book Credit, the cost of books is not an institutional charge.

Example of Calculating Earned and Unearned Title IV Aid

Susanne is an associate degree student at Montgomery College. She was awarded \$2,050 in Title IV aid for the Fall, 2006 semester. Her aid was disbursed. She received:
\$850 Federal Pell Grant
\$1,200 Federal Stafford Loan

The semester is 15 weeks, or 104 days. For personal reasons, Susanne withdrew on September 30, after completing 25 calendar days of the semester. She completed 24% (25 divided by 104) of the enrollment period.

- Because she completed 24% of the semester, she also earned 24% of the Title IV aid the school awarded her for the semester.
- This means that Susanne earned \$492 in Title IV aid ($\$2,050 \times 24\%$).
- It also means that she didn't earn 76% of her aid.
- As a result, \$1,558 ($\$2,050 \times 76\%$) is unearned aid that was disbursed and must be returned to Title IV program accounts.

Federal funds must be returned in a specific order – first to Title IV loans, and then to Title IV grants. In this case, \$1,200 will be returned to Susanne's loan and \$358 will be returned to her Pell Grant. If the school used any of the \$1,558 to pay Susanne's institutional charges, that portion of the money will be returned to Susanne's lender and to the Pell Grant program. If Susanne received any of the \$1,558 in a refund check, she will repay the loan portion when she enters repayment on the entire loan. The Pell portion will be repaid either to the school or directly to the U.S. Department of Education.