

## CAREER POINT COLLEGE

### STUDENT FINANCIAL ASSISTANCE

#### ENTRANCE INTERVIEW - FEDERAL YEAR 2010-2011

Dear Prospective Student:

It is our goal to help you understand the Federal Student Financial Assistance (Hereafter called "SFA"), which may be available to you during your training at Career Point College and how to apply for this assistance. A more detailed description and explanation of these programs will also be provided to you by the school's Student Financial Aid staff, (Hereafter called "SFA"). If you have any questions about your student financial assistance either during your training period or thereafter, always feel free to contact the SFA staff they are there to help you in any way they reasonably can.

### THE PROGRAMS

Students attending Career Point may be eligible to receive funds from the following programs:

#### Federal Pell Grant

#### Direct Loans Program:

Direct Subsidized Loans

Direct Unsubsidized Loans for Students

Direct Parent Loans

#### Campus Based Programs:

Federal College Work Study

Federal Supplemental Educational Opportunity Grant

Laura Garza Scholarship

Emily Buck Memorial Fund

### GENERAL ELIGIBILITY REQUIREMENTS

You are eligible for financial assistance if you are a US citizen or a non-eligible citizen, can demonstrate financial need, and you are above the age of compulsory school attendance as determined by your state. Each student applying for admittance to Career Point College must take and pass the school's entrance examination if they do not have a High School Diploma or GED. Career Point College uses the nationally recognized CPAT as its entrance examination. If you have attended another eligible school, information from that school will be used in determining the amount of financial assistance you may receive. If you are in default of any student loan(s) or owe a refund on any grant(s), you are not eligible for federal student financial assistance at this time. To be eligible to receive federal student financial assistance, you must attend school on at least a half-time basis and continue to make satisfactory progress towards the completion of your program.

### FEDERAL PELL GRANT

The Federal Pell Grant program makes funds available to students attending this school. These funds are disbursed as grants and **DO NOT HAVE TO BE REPAYED**. Students enrolling in the 2010-2011 Award Year (July 1, 2010 to June 30, 2011) may qualify for a maximum of \$5550 in Federal Pell Grant funds. To apply for the Federal Pell Grant, you must complete the Application for Federal Student Financial Assistance (hereafter known as SFA). Within one (1) week after completing the FASFA, you will receive an Electronic Student Aid Report (hereafter called an ISIR), which determines the amount of Federal Pell Grant funds for which you are eligible. The school's SFA staff will notify you as soon as you're "Award Package" are available. The information on this ISIR combined with information about the program in which you are enrolling will determine the amount of Federal Pell Grant funds you may receive.

## DIRECT LOAN PROGRAM

The Direct Loan Program consists of three (3) loan programs: Subsidized Direct Loans, Direct Parent Loans, and the Direct Unsubsidized Direct Loans for Students. The Direct Loan Program enables you to borrow funds directly from the Department of Education. **THESE ARE LOANS AND MUST BE REPAID.** The loans are guaranteed by the Department of Education. You must wait until you are officially enrolled in school before you may apply for the loan. The Department of Education will be servicing your loans. If you have any questions, contact the Department or Career Point College SFA staff.

When you borrow a Federal Student Loan, you have certain rights and responsibilities. You have the right to have the payments on your loan(s) deferred if you meet certain requirements. Each of the loan programs has different deferment provisions. To determine what provisions apply to your particular loan, contact the Department of Education or Career Point College SFA staff. Below is a list of deferment options.

1. Your payments can be postponed for three (3) years if you serve in the Armed Forces or the Peace Corps, or become a full-time volunteer in programs conducted by Action (which includes VISTA).
2. You may also qualify for up to one (1) year at a time because of economic hardship. This deferment is reevaluated each year.
3. You can have your payments deferred for up to two (2) years if you are unemployed. This deferment is limited to the actual period of unemployment and requires you to be actively seeking a job. You must provide the lender with periodic documentation of your attempts to find employment.
4. You may have your payments postponed for study at another school.
5. You can have your loan payments postponed for up to three (3) years if you are temporarily disabled or if you are caring for a spouse or dependent who is temporarily disabled.

In order to obtain a deferment you should contact your lender and fill out the proper forms. You must continue to make payments until notification of the deferment is received. You may also contact the school's Cohort staff so we can provide you with assistance in obtaining your deferment.

*You* have a responsibility to contact your lender if you move, change your address, change your telephone number, or cannot make your payments when due. If you cannot make your payments, your lender may grant you forbearance. Forbearance is a way to temporarily postpone or reduce your payment; however, you are still responsible for paying the interest on the loan during this period. If you need forbearance, contact your lender or contact the school's Cohort so we can assist you.

You have some options for repaying your student loan(s), depending on your circumstances. You can ask the lender to combine this student loan with any other federal student loans you may have when determining the repayment amount.

If you do not make your payments, you will be in default on your loan(s). If you default on your student loan(s), not only will you have to repay the loan(s) but you will also have to pay collection charges and possibly attorney's fees. These charges can be substantial. To be sure you understand the impact of defaulting on a direct student loan; we have attached to this letter a list of the possible consequences if you default on your student loan(s). We will ask you to sign this list and a copy of this signed form will be kept in your permanent school file.

## **DIRECT SUBSIDIZED LOAN**

To apply for the Direct Loan, if you have not already done so, you must complete the Free Application for Federal Student Aid (FAFSA), which is the same form used when applying for a Federal Pell Grant and complete a Direct Loan application. The school's Student Financial Aid staff will determine your eligibility for this loan by analyzing information on the FAFSA and information about the program in which you are enrolling.

The maximum amount you may borrow is \$3500 for a first year student. When you receive your student loan, the lender will deduct a "fee" of one percent (1%) of the total loan. The lender will release the funds to the school in two (2) disbursements. Then first disbursement will be made after you have been scheduled in class thirty days and the second once you have made your mid-point at approximately twenty (20) weeks.

Students enrolling in one of our programs usually borrow one Subsidized Direct Loan of \$3500. And will typically have a repayment schedule of \$50 per month for 82 months. This repayment schedule assumes minimum monthly payments. However, your lender may establish a different repayment schedule. Repayment will begin six (6) months after your last day of attendance whether you graduate or leave school for any other reason. The amount of your payments will be determined by your lender and will depend on the amount of your debt. The current interest rate is 4.5% fixed rate. You must repay the entire loan within ten (10) years.

## **DIRECT PARENT LOAN (PLUS)**

The Federal Parent Loan Program enables the parents of undergraduate students to borrow funds for their dependent children's education. These loan funds must be used for educational costs. The interest rate on a Direct Parent Loan is 7.9 % fixed rate. The repayment period on a Direct Plus loan begins within 60 days the loan is fully disbursed.

The borrower must pay all interest. The monthly payments are a minimum of \$50 per month and the loan must be paid within a maximum of ten (10) years. For example if your parents were to borrow \$4,000 they will have an estimated monthly payment of \$50, for approximately 114 months.

The student and the parent(s) must complete the loan application. The student and the parents must meet with the school's student financial aid staff to determine the amount of loan the parent(s) may borrow. The PLUS loan, when combined with other student financial assistance, cannot exceed the cost of education. When funds are disbursed to the school, the lender will have deducted a "fee" of (4.0%) of the total loan amount. For example if your parents were to borrow \$4,000 the lender will deduct a fee of \$160. The lender will send the check to the school in two (2) disbursements.

## **DIRECT UNSUBSIDIZED LOAN**

The Direct Unsubsidized Loan program enables independent undergraduate students to borrow up to \$6,000. Per year if the student's program is one (1) academic year in length. The interest rate of the Direct Unsubsidized Direct Loan is 6.80% fixed rate. The borrower pays all accrued interest. Repayment on your Direct Unsubsidized Loan will begin six (6) months after your last day of attendance whether you graduate or leave school for any other reason. The Federal Unsubsidized Stafford Loans grace period is on principal only. Minimum monthly payments on a Federal Unsubsidized loan are \$70. And the loan must be repaid with ten (10) years. If you borrow \$6,000 you will have estimated monthly payments of \$70, for approximately 120 months.

To apply for a Direct Unsubsidized loan, you must first apply for a Federal Pell Grant and a Direct Subsidized Loan.

## **CAMPUS BASED PROGRAMS**

The Federal Supplemental Educational Opportunity Grant and the Federal College Work-Study programs make up the campus-based programs. The school has more flexibility in awarding funds from these programs. In order to apply for funds from these programs, the student must complete the FAFSA and apply for a Federal Pell Grant. The school's SFA staff will determine your need for funds from these programs by using an approved "Needs Analysis System". Awards from these programs depend upon the application of school policies.

## **LORA GARZA SCHOLARSHIP**

This Scholarship is named after a former student and is given to students who score 410 average or on the Wonderlic test of Verbal and Mathematical skills. The scholarship is credited directly to the student's account and no application is necessary.

## **EMILY BUCK MEMORIAL FUND**

This fund is available to students who need to supplement their Federal Student Aid. The interest rate is eight percent (8%); the first payment is due one month after the last day of attendance from school. Repayment amounts vary with the amount borrowed.