



# **Financial Aid Award Guide**

**2008 - 2009**

Please read this information carefully. We hope that this information will help you understand the basis for your financial aid award and answer questions regarding your award and eligibility for need-based aid funds. Acceptance of any award indicates that you understand Washington College's need-based aid policies, terms, and conditions of each award as outlined in this booklet. Keep this booklet and a copy of your Financial Aid award notice for future reference.

Questions concerning any of the aid awarded, or any information contained in this booklet should be addressed to:

*Office of Student Aid  
Washington College  
300 Washington Avenue  
Chestertown, Maryland 21620-1197  
410 -778-7214*

## FACTS ABOUT YOUR FINANCIAL AID AWARD

This guide was designed to help you understand your financial aid award and what your acceptance of the award entails. The guide outlines your rights and responsibilities as a financial aid recipient. *Please read the contents of your award notice posted to Web-Advisor and this publication carefully.* Acceptance of any award indicates that you have read and are willing to abide by the terms and conditions outlined in this guide. Web based notifications should be reviewed and awards accepted according the instructions on the web-based notification. If you have any questions about your award notice or the information in this guide, please contact our office at (410) 778-7214.

## YOUR AWARD LETTER

Applicants for need-based financial aid are evaluated on the basis of demonstrated financial need, potential for academic success, and standards of satisfactory academic progress. Your financial aid award notice has two main components: your budget assumption and your financial aid award.

Your budget assumption represents your educational expenses for the year. Standard student budgets have been established based on enrollment status and housing status for 2008-2009. Student budgets include actual charges for tuition and fees and average allowances for room & board, \$1250 allowance for books and supplies, and \$1500 for personal expenses. The 2008-09 cost of attendance figure for full-time students living on campus is \$44,935. If your housing status or meal plan has changed you must notify the Office of Student Aid as soon as possible. *Any changes to your board plan or housing status may result in adjustments to your financial aid award.*

Your financial aid award contains the type and amount of aid you are being offered. At the time your application was evaluated you were automatically considered for all types of assistance, including grants, loans, and employment. The Office of Student Aid determined your eligibility for each type of aid based on financial need and availability of funds.

Financial aid eligibility is defined as the difference between the cost of attending Washington College and your family's capacity to contribute from income and assets. Your family's capacity to contribute includes parents' contribution and student contribution. Eligibility for federal financial aid may differ from eligibility for institutionally controlled forms of financial aid due to institutional policies, availability of funds, and the use of specific data elements omitted from the federal eligibility formula.

**Family's Capacity to Pay** represents the portion of your college expenses that your family is expected to contribute. This contribution is calculated from the information provided on the FAFSA and WC INSTITUTIONAL APPLICATION FOR NEED-BASED FINANCIAL AID, as well as from tax returns and other supporting documents.

Based on your 2007 income and asset information reported on your FAFSA and WC INSTITUTIONAL APPLICATION FOR NEED-BASED FINANCIAL AID your calculated contribution may exceed the amounts listed above.

## **FAMILY CONTRIBUTION FORMULAS**

There are two methods of determining a family's expected contribution towards educational costs. The Federal Methodology is used to determine a student's eligibility for federal aid, including Pell Grants and Stafford Loans, and most forms of state grant assistance. The federal family contribution is determined using the data provided on the Free Application For Federal Student Aid (FAFSA). Because Federal Methodology ignores some forms of income and eliminates some types of assets from consideration, Washington College uses Institutional Methodology to determine a student's need for institutionally controlled and funded forms of financial aid. The institutional family contribution is determined using data provided on the WC INSTITUTIONAL APPLICATION FOR NEED-BASED FINANCIAL AID. We believe the institutional formula more accurately and more equitably measures a family's financial strength by using sound principles, practices, and assumptions.

Federal financial aid regulations stipulate that a student's total financial aid package may not exceed the federally determined need analysis result when federal forms of financial aid are included in the aid package.

Some of the data elements used, and differences in the treatment of certain data in each formula are outlined in the following paragraphs.

**Family size.** This is the number of family members living in the same household. Relatives living outside the home, even when supported by the family are not included in Institutional Methodology calculations. Siblings attending graduate school or siblings who are 24 or older are considered independent and are not included in Institutional Methodology.

**Family Members Enrolled in College.** For families with two or more children attending four-year private or public colleges, the parent contribution is assessed according to the Federal Methodology. The Institutional Methodology formula adjusts for siblings attending a two year community college. In this case, the parent contribution is increased proportionally based on attendance costs at the community college and enrollment status of the sibling. Parents enrolled in an undergraduate or graduate program, or siblings enrolled in graduate school are excluded from the number of family members enrolled in college under Institutional Methodology.

**Parents' Income.** Income is the most weighted factor in determining the expected parental contribution. Both formulas use the most recent completed tax year financial information to determine expected contribution for the next academic year. Therefore, annual fluctuations in income and assets are considered annually using the most recent complete year of information.

**Taxable Income.** This category includes wages, salaries, interest and dividends. It can also include business/farm profit, pensions, annuities, rents, royalties, trust income, and other forms of miscellaneous taxable income. For parents who own businesses, depreciation on property or

automobiles, and part or all of other forms of depreciation, wages paid to dependent children, and noncash benefits such as automobile use and insurance coverage are typically added back to income. Losses, including those from business and rental ventures, capital losses and losses carried forward from prior years will not affect other forms of income. One time additions to income, such as capital gains or liquidation of an annuity or pension are considered an exchange of assets and are not included in income.

**Untaxed Income.** This category includes all income as outlined on the Federal FAFSA Worksheets A, B, C. Federal and Institutional Methodology treat all income from these worksheets in an identical manner.

**Parents' Assets.** Because assets contribute to a family's financial strength, they are also considered in determining a family's ability to contribute towards educational expenses. Assets included in both formulas are outlined on the FAFSA. Real estate will not be accepted at a lower than purchase price and national real estate appreciation multipliers are often used to project current market value. For family owned businesses, accumulated depreciation, loans from shareholders, capital stock, and retained earnings are not considered liabilities in calculating the value of these assets.

**Student's Contribution.** Because students are the primary beneficiaries of a college education, they are expected to assist their parents in meeting their educational expenses. Therefore, it is expected that students will work during the summer and use a portion of any asset held in their name. The minimum expected from each student is based on academic grade level. Washington College's minimum contribution amounts for 2008 - 2009 are: Freshman, \$1,500, Upperclass, \$2,000.

The financial aid process is predicated upon the precept that parents will assume primary responsibility for the educational expenses of their sons and daughters; it is also understood that students have a responsibility to help pay for their education. Since an education is an investment which should yield lifelong dividends, a family should be prepared to contribute to it both before entering and while in college. College support is intended to complement family financial resources (including any federal, state, or other outside aid to which a student may be entitled); College need-based tuition assistance is offered only after all other sources of aid have been exhausted.

## **APPEAL POLICY**

It is Washington College's goal to offer students the best financial aid decision possible within the policies described in this guide, our federal financial aid funding levels, and our institutional financial aid budget constraints. Therefore, we are unable to address appeals based on the disagreement with any of our financial aid policies. We do not negotiate financial aid offers with families, nor is it our policy to match financial aid offers made by other colleges and universities.

Families who suffer significant loss of income due to temporary or long term loss of employment or the death of a wage earner, or families who incur significant medical expenses not covered by insurance may appeal for a mid-academic year review of the financial aid award. In these

unusual situations, Washington College will use "current year" income rather than the "prior year" income to determine a change in financial aid eligibility. All requests for a mid-academic year review must be made in writing using the Washington College Special Circumstance Form and must include a copy of the parents' current year tax return.

### **ACKNOWLEDGEMENT OF FINANCIAL AID AWARD**

Indicate whether you wish to accept or decline the aid offered by checking the appropriate choice for each type of assistance printed on the Financial Aid Award notice posted to Web Advisor. Award notices received via the campus web site should be completed according to the instructions accompanying the award notification. If your award package is adjusted for any reason during the academic year (e.g. receipt of outside sources of aid, changes in enrollment or housing, etc), a revised Financial Aid Award notice will be posted to your Web-Advisor account.

**IMPORTANT REMINDER:** All students who have applied for and qualify for need-based financial aid will be offered some form of self-help aid. Self-help aid is defined as Federal Subsidized Stafford Loans, Federal Perkins Loans, and Federal Work-Study. All students offered WC Institutional need-based grant or scholarship assistance are expected to accept and use the self-help assistance to offset their educational expenses. Therefore, students who reject the need-based self-help (loan or work-study) portion of their financial aid award may jeopardize their eligibility for WC Institutional need-based grant assistance in future award years.

### **DISBURSING FUNDS**

All state, federal and institutional grants and scholarships awarded will be automatically credited to your student account in the Business Office once you have accepted your award via Web-Advisor.

*All Stafford Loans will be deposited to student accounts after the last day to drop/add a class. If you have been offered and have accepted the Federal Stafford loan, the amount of your expected loan will appear on your bill as a pending payment until the end of the drop/add period.*

***If you are a new, first time borrower your loan(s) will not be credited to your account until you have completed an entrance interview and signed a master promissory note.***

A Master Promissory Note (MPN) and an entrance interview are also required for first-time borrowers. Once drop/add period is over, AND new borrowers have completed an entrance interview, the fall loan amount will be credited to student accounts. Banks will send loan payments directly to the College; the Business Office will notify you when the loan arrives.

Outside scholarships are disbursed to your account when the school receives the funds from your sponsor. ***Outside scholarships and grants must be sent directly to the Office of Student Aid to have them properly credited to your account.*** This includes all tuition, book, or personal expense scholarships or tuition assistance received by you or your parent(s) from any outside organization, parent or guardian's employer, or sponsor.

***Federal work-study will not be credited to your account.*** If you are awarded federal work-study you will receive a paycheck on alternate Fridays for the hours you work. Federal work-study earnings are generally used to pay for books and personal expenses. ***You may not deduct the amount of your federal work-study award from your tuition bill.***

## **Financial Aid Adjustments**

There are cases in which the Office of Student Aid may need to adjust or recalculate your financial aid award, based on information received after the original award is made. These include:

- Receipt of additional aid from outside sources (i.e., book awards, parent or student employee benefits, local scholarships, etc.)
- Notification that you are no longer eligible for certain types of aid (i.e., tuition assistance from employers, tuition exchange, etc.)
- changes in family contribution due to updated information
- withdrawal from the college prior to semester's end (federal regulations require a review of the financial aid package; partial repayment of funds may occur)
- changes to your room and, or board status

You have the responsibility to report any additional funds or benefits received from any source that you receive or are promised, before or after you are awarded financial aid from this office. Also, it is your responsibility to report any and all changes to your eligibility for assistance from any source of financial aid listed on your award letter.

The Office of Student Aid is required *by law* to make adjustments to prevent or correct overawards. We take this charge very seriously. You can save yourself frustration and inconvenience and possible financial penalty by reporting any changes in your financial aid promptly. ***Under no circumstances may need-based awards received from Washington College plus outside awards exceed your financial need.*** Additional awards may *not* be used to offset or reduce your family contribution.

If any changes do occur within the family during the academic year that may effect the ability to provide the family contribution, the student should make an appointment to meet with a counselor in the Office of Student Aid. Under certain circumstances, a mid-year review may be conducted and additional assistance offered.

**Federal, state, and college policies preclude the awarding of financial aid in excess of demonstrated financial need. Accordingly, college awards are subject to revision in cases where an aid recipient is granted additional assistance from an outside source. Aid recipients who are offered outside assistance are obligated to notify the college of these awards.**

## POLICY ON SATISFACTORY ACADEMIC PROGRESS

In order to continue to receive all federal, state, and institutional need-based financial assistance, a student must maintain *satisfactory academic progress*. This is defined by the completion of all course work within a set time frame as indicated. Part-time students will be expected to complete their program within ten academic years.

### Full-time Students

Minimum Credits Completed Successfully	Time Frame By end of...
24	1st academic year
48	2nd academic year
72	3rd academic year
100	4th academic year
128	5th academic year

In addition, students must maintain a **minimum** Cumulative Grade Point Average (CGPA) of 1.75 by the end of their freshman year and a minimum CGPA of 2.0 each semester thereafter. Transfer students must achieve and maintain a minimum 2.0.

Incompletes, withdrawals, and failures will not count towards the minimum number of credits earned.

Student progress will be reviewed at the end of each academic year (two consecutive semesters of enrollment). If the student fails to meet the required minimum standards, a probationary period will be allowed for one academic year (two consecutive semesters). If the student fails to meet the required minimum by the end of the probationary period, their aid will not be renewed for the following semester. Students who are not maintaining academic progress will be required to resume normal progress before additional financial aid can be awarded. That may require completion of coursework without the benefit of financial aid. Any appeals regarding satisfactory academic progress must be filed through the Admissions and Financial Aid Committee.

**Appeals** of Satisfactory Academic Progress decisions can be made to the Admissions and Financial Aid Committee. Conditions for an appeal will be sent to all students who did not make satisfactory academic progress after the probationary period.

**Merit scholarship recipients** will be reviewed by the Student Aid Committee under individual merit program GPA requirements.

## FEDERAL FINANCIAL AID PROGRAMS

### **Federal Pell Grant**

This is a federal grant available to undergraduate students. Eligibility is need-based as determined by the Free Application for Federal Student Aid (FAFSA).

### **Federal Perkins Loans**

Federal Perkins loans are awarded on the basis of demonstrated need. Since funds for this program are limited, the college reserves the right to award Perkins Loans to students with the greatest need. The interest rate is 5% and repayment begins nine months after the recipient ceases to be enrolled. Students must sign a Federal Perkins Loan Promissory Note before Federal Perkins Loan funds can be credited to an account.

### **Federal Work-Study Program**

The Federal Work-Study program assists students with financial need by providing compensation for employment in approved positions on campus or off-campus in community service work sites. Students are eligible to work an average of 8 to 10 hours weekly depending on their need, class schedules and the arrangements made with their supervisors. This is a unique opportunity to become immersed in the College and local community in ways that will enrich the college experience. Through this program students gain valuable skills while earning money for college expenses.

By accepting a Federal Work-Study award on Web Advisor students agree to abide by all the rules and regulations of the program and Washington College employment as set forth in the Student Employment Program Handbook available on <http://fa.washcoll.edu>.

The maximum amounts students are eligible to earn appears on their award notice and is included as part of their total financial aid package. The amount of money students actually earn is determined by the number of hours worked per week and the wage per hour. After July 1, 2008 most FWS positions pay \$6.55 per hour. You may NOT deduct a FWS award from the balance due to tuition, fees, room and board. Also, students are prohibited from working during scheduled class times. Wages earned through FWS are designed to assist with educational costs including books and personal expenses incurred while at school.

Students receiving an FWS award are asked to complete the information on the Washington College Institutional Application for Need-Based Financial Aid in Section 9 – The Federal Work-Study Questionnaire. The data provided is used to match the student to available FWS positions based on major, employment history, certifications, and/or interests. Information packets for new FWS students will be available in their mailbox when they arrive on campus. The packet will contain information on current openings and supervisor contact information. Students are then required to contact their supervisor for an interview. In order to be hired, both the FWS employee and the supervisor need to agree to the placement.

New student employees must submit completed payroll paperwork to the Human Resources Office prior to beginning work. The required documents are as follows and are located as downloads at <http://hr.washcoll.edu/studentemployment.php>.

1. Employment Eligibility Verification (I-9 form): Under federal law, you must complete this form in person with a representative from the Human Resources Office in order to verify your eligibility to work in the United States. You will need to provide a legal photo ID and Social Security card or birth certificate, or a passport. Other forms of ID may also be accepted. The Employment Eligibility Verification is the only form that must be completed in the presence of a representative from the Human Resources Office.
2. Tax withholding forms (federal W-4, state tax withholding form): These forms need to be signed; you must also supply your Social Security number.
3. Authorization agreement for direct deposit: This form signs you up for direct deposit of your paycheck now required by Washington College. You will also need to supply a blank check or preprinted bank deposit slip that shows your routing and bank account numbers.
4. Complete Personnel Information form and sign the Drug, Alcohol and Firearms Policy, Confidentiality Agreement, and Use of College Property Agreement.

Additionally, any employee not yet 18 years of age by the first date of employment is required by the state of Maryland to obtain a Maryland Work Permit for Minors.

***Federal work-study will not be credited to your account.*** If you are awarded federal work-study you will receive your pay will be directly deposited in an account of your choice on alternate Fridays for the hours you work. Federal work-study earnings are generally used to pay for books and personal expenses. ***You may not deduct the amount of your federal work-study award from your tuition bill.***

### **Federal Subsidized Stafford Loans**

Federal Subsidized Stafford Loans are available through most banks and credit unions. Washington College does not maintain a list of preferred lenders. Students and families are encouraged to select a lender they would like to work with to process their Federal student loans. Eligibility is based on demonstrated financial need. The college determines the amount that can be borrowed; the maximum for each year of undergraduate study is \$3,500 for freshmen, \$4,500 for sophomores and \$5,500 for juniors and seniors.

The current interest rate for loans disbursed on or after July 1, 2008 and before July 1, 2009 is 6.0%. The federal government subsidizes interest until repayment begins (six months after the recipient ceases to be enrolled at least half time). Up to ten years may be allowed to repay the loan. Previous borrowers will maintain the same interest rate and repayment schedule as on their current loans. Entrance and exit interviews are required for all borrowers.

Loan proceeds are sent directly to the college; students will be notified when they arrive. Loan proceeds are typically received a few days after the "Drop or Add" period at the beginning of the semester. *Loan proceeds for first time borrowers will not be disbursed until 30 days after the first day of classes.* The amount of your expected loan proceeds will be deferred from your bill

until the end of this 30-day period. Federal Stafford Loans must be disbursed in two or more installments; the second will not occur until at least one half of the loan period has elapsed.

### **Federal Unsubsidized Stafford Loan Program**

This loan program is available for students who do not qualify, in whole or in part, for subsidized Federal Stafford Loans. The current interest rate for loans disbursed on or after July 1, 2008 and before July 1, 2009 is 6.8%. The terms of the unsubsidized Federal Stafford Loan are the same as the subsidized Stafford Loans (see above) except the government does not pay interest. The student must pay all interest that accrues on this loan during the time he/she is enrolled in school, during the grace period, and during periods of repayment and authorized deferment. Entrance and exit interviews are required for all borrowers.

Washington College will accept and process Stafford Loan applications for any lender the student selects.

If you are offered and accept a Federal Stafford Loan you must complete a Master Promissory Note (MPN). Returning students who have already completed an MPN do not have to complete a new MPN. An MPN for all first time borrowers can be completed on-line. Instructions will be mailed to all first time borrowers to assist them with the on-line process.

### **Federal PLUS Loan – NEW BORROWERS**

The PLUS (Parent Loan for Undergraduate Students) Loan is a low-cost education loan for parents sponsored by the federal government. The PLUS Loan offers excellent repayment terms and a reasonable interest rate. Parents may borrow up to the full annual cost of education, minus any financial aid, regardless of income. Repayment begins 60 days after the funds are fully disbursed; standard repayment term is 10 years. Borrowers pay all the interest that accrues on the loan. The current interest rate for PLUS loans disbursed on or after July 1, 2006 is 8.5%. Income is not a factor with this loan, but there is a minimal credit check required. Parents can find out quickly if they pre-qualify for the PLUS loan. That way, if parents do decide to borrow, they will know in advance if they pre-qualify for the PLUS.

To find out if your parents qualify for the 2008-2009 academic year, they should contact their lender to request an early PLUS credit review. The lender will review your parent's credit and notify the borrower and Washington College with the results and the requested loan amount. Once credit has been pre-approved, the borrower will be given directions how to complete the PLUS Master Promissory Note (MPN) on-line. Since the MPN is a multi-year note, parents will only have to fill out the paper application one time.

### **PLUS Loan – PREVIOUS BORROWERS**

If parents borrowed through the PLUS Loan program for their student's education for the 2007-2008 academic year, they filled out the PLUS Loan Master Promissory Note. This MPN is a multi-year note, and borrowers are required to fill it out only once. If previous borrowers are

interested in borrowing through the PLUS program for the 2008-2009 academic year, all they need to do is contact their previous lender for a pre-approval on a requested loan amount. The lender will notify Washington College of the pre-approved amount.

To find out if parents qualify for the 2008-2009 academic year, they can call their current lender and request a credit review. The lender will review the borrower's credit and notify the borrower and Washington College with the results and the requested loan amount.

## **FEDERAL TITLE IV AID REFUND POLICY**

Washington College adopts the refund policy that conforms to the updated version (Section 668.22) of the Higher Education Amendments of 1998. Withdrawing or expelled students with Title IV funding will be subject to both Federal refund policy regarding the possible return of Title IV funds awarded to the student and to Washington College's policy regarding the possible return of institutional aid awarded.

The federal law requires that, if a student withdraws, is granted an approved leave of absence, or is expelled during a semester, the amount of Title IV assistance that a student has earned up to that point is determined by a specific formula. If you received more assistance than you have earned, the excess funds must be returned.

The amount of assistance that a student has earned is determined on a pro-rata basis. That is, if a student has completed 30 percent of the semester, the student earns 30 percent of the assistance they were originally scheduled to receive. Once the student has completed more than 60 percent of the semester, the student earns all of his/her assistance.

If a student received excess funds that must be returned, Washington College must return a portion of the excess equal to the lesser of:

- the student's institutional charges multiplied by the unearned percentage of financial aid received, or
- the entire amount of the excess funds.

Copies of the Official Withdrawal Policy, and procedures for requesting an Approved Leave of Absence can be found in the Registrar's Office.

Any Title IV aid recipient who is withdrawing from the college, requesting a leave of absence, or is expelled must contact the Office of Student Aid to discuss how this action would effect his/her financial aid awarded.

## CONDITIONS OF AWARDS

### *Student Responsibilities*

- ❑ Update and correct previously submitted information.
- ❑ Submit all additional documents/information requested.
- ❑ Do NOT give information that is false or misleading.
- ❑ Understand, accept responsibility for, and keep copies of all signed agreements.
- ❑ Participate in entrance and exit interviews, when required.
- ❑ Report to the Office of Student Aid changes in your address, income, registration, housing or board status.
- ❑ Notify the Office of Student Aid of any financial assistance you are receiving from an outside source.
- ❑ Notify the Office of Student Aid if you receive cancellation of, or are aware of your ineligibility for any financial assistance listed on your award letter (tuition exchange, room grants, etc.).
- ❑ Be aware of the college's refund procedures.
- ❑ If accepting a Federal Work-Study Award, perform work that is agreed upon.
- ❑ Notify your lender when you graduate or drop below half-time status.
- ❑ Maintain satisfactory academic progress.
- ❑ Grant and scholarship awards can not exceed the cost of tuition, on-campus room, on campus board and books.
- ❑ Any grant and/or scholarship assistance in excess of tuition and books is considered taxable income for federal IRS income tax purposes.

**IMPORTANT REMINDER:** All students who have applied for and qualify for need-based financial aid will be offered some form of self-help aid. Self-help aid is defined as Federal Subsidized Stafford Loans, Federal Perkins Loans, and Federal Work-Study. All students offered WC Institutional need-based grant or scholarship assistance are expected to accept and use the self-help assistance to offset their educational expenses. Therefore, students who reject the need-based self-help (loan or work-study) portion of their financial aid award may jeopardize their eligibility for WC Institutional need-based grant assistance in future award years.

## **IMPORTANT PHONE NUMBERS**

Office of Student Aid	410-778-7214
Business Office – Billing Questions	410-778-7266
Registrar’s Office - Grades, Transcripts and Enrollment Verification	410-778-7299
Student Affairs - Housing and meal plan questions	410-778-7752
TuitionPay – SallieMae Monthly Payment Plan Information	800-635-0120
Maryland Higher Education Commission	800-974-1024
	<a href="http://www.mhec.state.md.us/financialAid/index.asp">http://www.mhec.state.md.us/financialAid/index.asp</a>

## **CREDIT REPORTING AGENCIES**

Experian	888-397-3742
Trans Union Corporation	800-916-8800
Equifax Credit Information	800-685-1111

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