Paul Mitchell The School Schenectady

FINANCIAL AID

The school encourages all students to apply for financial aid. A Financial Aid Guide is also available to all prospective students to assist with understanding the eligibility criteria and application process to receive federal and institutional financial aid.

Financial aid refers to a variety of financial aid sources are available to help you pay for college or career school. It is money in the form of grants, scholarships, work-study, loans, or a benefit from completing community service or military service to help students pay for education after high school. Aid comes from various sources, with most of the aid coming from the U.S. Department of Education.

A FAFSA or Federal Application for Federal Student aid must be completed at www.studentaid.gov to apply for all federal aid. Students will need to re- apply for Aid every academic year and meet all required eligibility criteria.

ADDITIONAL INFORMATION AND DETAILS MAY BE FOUND IN THE FINANCIAL AID GUIDE PUBLISHED BY THE SCHOOL.

The school participates in the following Federal Aid Programs:

GRANTS

Federal Pell Grant This federal grant program provides need-based grants to eligible low-income students. Eligibility for a Federal Pell Grant is determined by your Expected Family Contribution from the FAFSA. You can receive the Federal Pell Grant for no more than the equivalent of 12 semesters, which includes your receipt of Federal Pell Grant from any college you have attended. Additional general information regarding the Federal Pell Grant is available at www.studentaid.gov.

Federal Supplemental Educational Opportunity Grants (SEOG) This federal grant is awarded to students who demonstrate exceptional financial need. Funding is limited for this program, and priority is given to students who qualify for a Federal Pell Grant. A FSEOG Grant does not need to be repaid.

Federal Iraq and Afghanistan Service Grant (IASG): This federal grant is awarded to students whose parents or guardian was a member of the U.S. armed forces and died as a result of performing military service in Iraq or Afghanistan after the events of 9/11. To qualify, you must be ineligible for a Pell Grant due to not demonstrating adequate financial need, and you must have been younger than 24 years old at the time of your parent's or guardian's death.

FEDERAL DIRECT LOANS

Federal Direct Subsidized Loans are loans available to eligible undergraduate students who demonstrate financial need to help cover the costs of higher education at a college or career school.

- Interest does not accrue on the Subsidized loan while you are enrolled at least half-time.
- Repayment on the loan begins 6 months after you graduate or withdraw from the school.

Federal Direct Unsubsidized Loans are available to eligible students regardless of financial need. The school determines the amount you can borrow based on your cost of attendance and other financial aid you receive.

- Interest begins to accrue on the Unsubsidized loan from the date of the first disbursement.

- You are responsible for paying the interest on a Direct Unsubsidized Loan during all periods.
- If you choose not to pay the interest while you are in school and during grace periods and deferment or forbearance periods, your interest will accrue (accumulate) and be capitalized (that is, your interest will be added to the principal amount of your loan).

Federal Direct PLUS Loans are loans, a parent of a dependent undergraduate student can borrow for up to the amount of the student's cost of attendance for their educational program less any other financial aid the student is receiving. Financial need is not required for this program. The parent (not the student) is the borrower of a Parent PLUS Loan and therefore the parent is responsible for repaying the loan. In addition to the student completing the FAFSA and meeting the basic eligibility requirements for federal student aid, an additional application is required for a parent to borrow a Parent PLUS Loan. Repayment is required immediately following the last disbursement of a loan.

- Eligibility is not based on financial need and can be applied to cover the entire cost of attendance.
- A credit check is required. Borrowers who have an adverse credit history must meet additional requirements to qualify.
- If you are a dependent student and your parent is denied the PLUS loan because of an adverse credit history, the student may apply for an additional Direct Unsubsidized Loan.

INTEREST RATES

The interest rates are published each year and vary depending on the loan type and for is set by the first disbursement date of the loan.

DIRECT LOANS TERMS AND CONDITIONS

1. A student must be enrolled at least half-time to receive a federal student loan disbursement.
2. Repayment of federal student loans begins 6 months after a student cease to be enrolled at least half-time. This 6-month period is called a grace period.
3. A student must complete a master promissory note and loan entrance counseling prior to receiving a Federal Direct Loan disbursement and must complete loan exit counseling once they cease to be enrolled at least half-time.
4. Students and parents who borrow Federal Direct Loans will have their loan submitted to the National Student Loan Data System (NSLDS) and the information will be accessible to guaranty agencies, eligible lenders, and eligible institutions of higher education as determined by the Secretary of Education to be authorized users of NSLDS.

For more information including terms and conditions and current rates visit:
https://studentaid.gov/understand-aid/types/loans/interest-rates

DEFAULTING ON THE FEDERAL DIRECT LOAN

A student is considered to be in default, if no payment is made for at least 270 days. Consequences of default include:

1. The entire unpaid balance of your loan and any interest you owe becomes immediately due (this is called "acceleration").
2. You can no longer receive deferment or forbearance, and you lose eligibility for other benefits, such as the ability to choose a repayment plan.
3. You lose eligibility for additional Federal Student aid.
4. The default is reported to credit bureaus, damaging your credit rating and affecting your ability to buy a car or house or to get a credit card.
5. Your wages, tax refunds and federal benefit payments may be withheld and applied toward repayment of your defaulted loan.

THINGS TO KNOW ABOUT FINANCIAL AID

ELIGIBILITY

All Criteria must be met to qualify for Federal aid

- Be a citizen or an eligible non-citizen of the United States
- Have a valid Social Security Number (Students from the Republic of the Marshall Islands, Federated States of Micronesia and the Republic of Palau are exempt from this requirement)
- Have a High School Diploma or a General Education Development Certificate (GED) or have completed the state requirements for homeschooling or have an equivalent or higher degree
- Be enrolled in an eligible program
- Maintain satisfactory academic progress as described in the school policy
- Not owe a refund on a Federal Student grant or be in default of a Federal Student Loan
- Demonstrate Financial need
- Use aid only for educational purposes

ESTIMATED FINANCIAL AID

The following tools and resources can be used to get an estimate of your SAI, Cost of Attendance and Estimated Financial Aid:

- Net Price Calculator Tool available at https://www.paulmitchell.edu/schenectady allows prospective students to enter information about themselves to find out what students like them paid to attend the institution in the previous year, after taking grants and scholarship aid into account.
- College Financing Plan is a resource tool to help you better understand your educational costs and the financial aid that is available to meet those costs. This form was created by the Department of Education (ED) and is available to help prospective students compare the cost of attendance (COA) and aid offers from multiple institutions in order to make an informed decision about where to attend school. Please contact the Financial Aid office for your personalized College Financing Plan.
- College Affordability & Transparency Center provides the Department of Education tools for comparing college costs, please visit: https://collegecost.ed.gov.

STEPS TO APPLY

A. Sign up for an FSA ID at fsaid.ed.gov. The FSA ID serves as your digital signature for the Free Application for Federal Student Aid (FAFSA) and login information for Federal Student Aid websites.
B. Complete the Free Application for Federal Student Aid (FAFSA)
C. Submit all Required Documents to the Financial Services Office
D. If you decide to apply for Federal Student Loans
    - Log on to www.directloans.gov
    - Complete your Direct Loan Entrance Counseling the Federal Government requires you to complete entrance counseling to ensure that you understand the responsibilities and obligations you are assuming.

The goal of entrance counseling is to help you understand what it means to take out a federal student loan. During entrance counseling, you will learn about the following:

1. What a Direct Loan is and how the loan process works
2. Managing your education expenses
3. Other financial resources to consider helping pay for your education
4. Your rights and responsibilities as a borrower

• Complete an Annual Loan Acknowledgment If this is your first time accepting a federal student loan, you are acknowledging that you understand your responsibility to repay your loan.

1. If you have existing federal student loans, you are acknowledging that you understand how much you owe and

how much more you can borrow.

Complete Master Promissory Notes (MPN)

The MPN is a legally binding agreement between you and us and contains the terms and conditions of your loans.

E. Review your Financial Aid Notification

The notification will provide a snapshot of what financial aid you are eligible to receive for the current academic year

F. Accept your Estimated Financial Aid Offer

VERIFICATION

The U. S. Department of Education may select your FAFSA for a process called verification. If your FAFSA is selected for verification, The School will need to collect additional documentation from you to verify some of the information you provided on your FAFSA. For example, The School may ask for additional information about your income, the number of people in your household, the number of people attending college in your household and identification document, or other information. You may be required to complete verification worksheets and submit tax documents for yourself and your parent(s) or spouse. The School will use the information you provide through the verification process to make any necessary corrections to the information you reported on the FAFSA.

Verification Deadline and Failure to Submit: The Financial Aid Office will not award or disburse federal financial aid until the verification process is complete. Failure to complete the verification process by the deadline may result in a student not being eligible for federal financial aid, in which case the student will need to make other arrangements to pay their educational costs.

FINANCIAL AID DISBURSEMENTS

The federal financial aid for which a student qualifies is applied to your student account. This process is referred to as financial aid disbursement. Expected disbursement schedule can be found in individual Financial Aid offer letters.

Financial Aid is disbursements are evaluated and paid at the end of every payment period, based on the student's satisfactory academic progress.

- The first payment period is the period in which the student successfully completes half the clock hours AND half the weeks of instructional time in the academic year.
- The second payment period is the period in which the student completes the academic year and weeks of instructional time in the academic year.

For any remaining portion of the program that is more than the academic year, but less than a full academic year.

- The first payment period is the period in which the student successfully completes half of the clock hours AND half of the weeks of instructional time in the remaining portion of the program; and
- The second payment period is the period of time in which the student successfully completes the remainder of the program.

CREDIT BALANCE

If your financial aid award exceeds your direct costs at the school (tuition, etc.), you will receive a Credit Balance refund.

- Refunds will be issued on the same day as the disbursement date.
- All funds issued to you by Paul Mitchell The School Schenectady through a federal financial aid refund must be used toward educational expenses only and using these funds in any other manner is in violation of and punishable by federal law.

RETURN TO TITLE IV

The school is required by Federal statute to recalculate Federal financial aid eligibility for students who withdraw, drop out, are dismissed, or take a leave of absence prior to completing 60% of a payment period or term.

The Federal Title IV financial aid programs must be recalculated in these situations:

A. If a student leaves the institution prior to completing 60% of a payment period or term, the financial aid office recalculates eligibility for Title IV funds. Recalculation is based on the percentage of earned aid using the following Federal Return of Title IV funds formula:
   Percentage of payment period or term completed = the number of days completed up to the withdrawal date divided by the total days in the payment period or term (Any break of five days or more is not counted as part of the days in the term.) This percentage is also the percentage of earned aid.
B. Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula:
   Aid to be returned = (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total amount of aid that could have been disbursed during the payment period or term
   If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds and the student would be required to return a portion of the funds. Keep in mind that when Title IV funds are returned, the student borrower may owe a debit balance to the institution.
   If a student earned more aid than was disbursed to him/her, the institution would owe the student a postwithdrawal disbursement which must be paid within 120 days of the student's withdrawal.
   The institution will return the amount of Title IV funds for which it is responsible no later than 30 days after the date of the determination of the date of the student's withdrawal.
   Refunds are returned in the following order:

- Federal Unsubsidized Direct Stafford Loans
- Federal Subsidized Direct Stafford Loans
- Federal Direct Parent PLUS Loans
- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grants

For any loan funds that you must return, you (or your parent for a Direct PLUS Loan) will repay the loan funds in accordance with the terms and conditions of the Master Promissory Note (MPN). That is, you will not be required to repay any loan funds immediately, but instead, you will make scheduled payments to the holder of the loan over a period of time.

IMPACT OF WITHDRAWAL OR LEAVE OF ABSENCE

Students taking a leave of absence or withdrawing from classes who are recipients of Federal Financial Aid should contact the Financial Aid office to determine the implications of that leave/withdrawal for their financial aid program. Once you withdraw, drop below half-time enrollment, or leave school, your federal student loan goes into repayment. In most cases, however, you have a six-month grace period before you are required to start making regular payments.

EXIT COUNSELING

Students who graduate, withdraw or drop below half-time enrollment must complete exit counseling. The purpose of exit counseling is to ensure that student understand their loan obligations and are prepared for repayment.

OVERPAYMENT

Any amount of unearned grant funds that you must return is called an overpayment. The maximum amount of a grant overpayment that you must repay is any grant overpayment in excess of half of the grant funds you received or were scheduled to receive. You do not have to repay a grant overpayment if the original amount of the overpayment is $50 or less. You must make arrangements with the school or the Department of Education to return the unearned grant funds. The requirements for Title IV program funds when you withdraw are separate from the school's refund policy. Therefore, you may still owe funds to the school to cover unpaid institutional charges. Your school will also

charge you for any Title IV program funds that the school was required to return. The school's tuition refund policy is available in the college catalog. If you have questions regarding the Return of Title IV calculation or the school's refund policy, the Financial Services Office can assist.

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