

# FINANCIAL ASSISTANCE PROGRAMS

## Federal Grants

**Pell Grant:** The Federal Pell Grant Program provides need-based grants to low-income undergraduate students to promote access to post-secondary education. For many students, the Pell grant is the cornerstone of their financial aid package. To be considered for this grant, students must fill out the [FAFSA](#).

### Eligibility

- Available to undergraduate students pursuing their first undergraduate degree and not enrolled in a professional program. Students with a prior bachelor's degree cannot be considered.
- Students must also be making Satisfactory Academic Progress, as defined in your program catalog
- Grant Limits
- Awards ranged from \$636 to \$6,195 during the 2019-2020 academic year depending on the Expected Family Contribution (EFC) calculated from the FAFSA. The closer to zero the EFC, the larger the possible award.

### Required Credits

- To receive the maximum award (100%) you must be enrolled in 12 or more credit hours per semester.
- If enrolling in 9 to 11 credit hours per semester, you may receive up to 75% of the maximum award.
- If enrolling in 6 to 8 credit hours per semester, you may receive up to 50% of the maximum award.
- A minimum award may be made for students enrolled in less than six credits per term.

### Payment

- Pell Grant is paid by the semester, one-half of the annual award for fall term and one-half for spring term. If a student attends less than full-time both semesters or only attends one term, they may have Pell eligibility for the following summer term.
- Pell Grant is credited to the student's account no sooner than the first day of the semester or as soon as the award is ready.

## Federal Supplemental Educational Opportunity Grant (FSEOG)

Federal grant program for undergraduate students with exceptional need and can be awarded from \$500 to \$1,500 per year. To be considered for this grant, students must fill out the [FAFSA](#).

## Federal Loans

A loan is financial assistance that enables students and parents to borrow money from the federal government or private lenders. These loans must be repaid. Borrowers are responsible for signing a Master Promissory Note for each loan program, which is a binding, legal document through which the borrower agrees to repay the loan. **To be considered for any of these loans, students must fill out the [Free Application for Federal Student Aid \(FAFSA\)](#) online at <https://studentaid.gov/h/apply-for-aid/fafsa>.**

**Federal Direct Loans:** A federal student loan, made through the William D. Ford Federal Direct Loan Program, for which eligible students and parents borrow directly from the U.S. Department of Education at participating schools. Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans and Direct Consolidation Loans are types of Direct Loans. This chart gives the annual limits of the Direct Subsidized and Unsubsidized Loans by student type:

	Freshman	Sophomore	Junior	Senior	Lifetime Limit
Dependent Students:					
Subsidized Loans	\$3,500	\$4,500	\$5,500	\$5,500	\$23,000
Unsubsidized Loans	\$2,000	\$2,000	\$2,000	\$2,000	\$34,500
Total Amount	\$5,500	\$6,500	\$7,500	\$7,500	\$57,500

	Freshman	Sophomore	Junior	Senior	Lifetime Limit
Independent Students:					
Subsidized Loans	\$3,500	\$4,500	\$5,500	\$5,500	\$23,000
Unsubsidized Loans	\$6,000	\$6,000	\$7,000	\$7,000	\$34,500
Total Amount	\$9,500	\$10,500	\$12,500	\$12,500	\$57,000

### Additional Information

Federal Direct loans are loans based on financial need for which the federal government pays the interest that accrues while the borrower is in an in-school, grace, or deferment status. Unsubsidized Direct loans are loans for which the borrower is fully responsible for paying the interest regardless of the loan status. Interest on unsubsidized loans accrues from the date of disbursement and continues throughout the life of the loan. Repayment for these two loans begins after graduation or when the student drops below part-time. The student has up to 10 years to repay these loans.

- Student must be enrolled at least half time (6 credit hours for undergraduate students)
- Current fixed interest rate is 4.53% as of 7/1/19
- Current origination fee of 1.059% as of 10/1/19 (this fee is deducted up front and thus lowers the actual net amount of each disbursement that appears on your tuition bill)
- Rates may change depending on legislation so please visit the [Federal Student Aid Interest website](#) for the most current information

In order to receive funding from the Federal Direct Subsidized/Unsubsidized Loan program, you must complete [Entrance Counseling](#) and sign a [Master Promissory Note \(MPN\)](#). Both of these must be done before funds will be released from the federal loan center.

## Direct Parent PLUS Loans

A loan made by the U.S. Department of Education to parents of dependent undergraduate students for which the borrower is fully responsible for paying the interest regardless of the loan status. PLUS stands for Parent Loans for Undergraduate Students. They are low-interest loans for credit-worthy parents of undergraduate students. For more information, please visit <https://studentaid.gov/understand-aid/types/loans/plus/>.

### Eligibility

- For Parent and Student:
  - \* US Citizens or eligible Non-US Citizens
  - \* Not in default on prior educational loans
- For Parent:
  - \* Borrows on behalf of the dependent student and is responsible for loan repayment
  - \* Meets federally defined creditworthiness standards
- For Student:
  - \* Enrolled in at least half time (6 credit hours for undergraduate students)
  - \* Meeting Satisfactory Academic Progress as per your program catalog

### Additional Information

- This loan is not need based.
- You may not borrow more than the cost of the student's education minus any other financial aid received (such as grants, scholarships, or loans – including Direct Subsidized/Unsubsidized loans). Ameritech College will determine the actual amount you may borrow.
- Current fixed interest rate of 7.08% as of 7/1/19
- Current origination fee of 4.236% as of 10/1/19 (this fee is deducted up front and thus lowers the actual net amount of each disbursement that appears on your tuition bill)
- Rates may change depending on legislation so please visit [the Federal Student Aid Interest website](#).
- *PLEASE NOTE that you must re-apply for a PLUS loan for each academic year. Also, the PLUS loan application includes a credit check that is only good for 180 days. So please wait to apply for a PLUS loan until 180 days before the academic term starts.*

For more information on these loans, please visit <https://studentaid.gov/understand-aid/types/loans>.

Please Note: An origination fee will be charged on each loan that will be deducted from the loan before disbursement. Also, students who are non-degree seeking or who are seeking teacher certification after graduation are only eligible for alternative loans in most cases.

## Alternative Loans

If your financial assistance package does not cover your expenses, you have the option of applying for an alternative or private (nonfederal) student loan. Some private lenders offer credit-based loan programs to creditworthy students and/or students with creditworthy cosigners. Interest rates, loan fees and other specifics of such loans should be carefully evaluated. Before pursuing private alternative loans, students and parents should **ALWAYS** pursue Federal loans first; if additional funding is needed, students should consider the Federal Parent PLUS Loan or the Tuition Payment Plans before pursuing alternative loans.

If students decide to use private alternative loans, they must apply for these loans in enough time for them to use the funds to pay Ameritech College charges by the due date. **Private alternative loan lenders will require a creditworthy cosigner.** This can be a parent, another adult relative, or other person who meets the lender's requirements for the loan. A cosigner will be responsible for the loan if the student does not pay it back. Students who apply for a private alternative loan must complete a Self-Certification Form and submit it to the lender prior to loan approval.

The Financial Aid Office will assist families in understanding and pursuing this lending avenue but cannot be responsible for the actual application. Below are several common private lending options utilized by Ameritech students and families. Utilize the link provided to find out specific information and complete an on-line application if interested.

Because of the uncertainty of the current credit markets and the inability of certain lenders to secure private alternative loan funding, the pool of lenders willing and able to make private alternative loans is shrinking.

In order to consider a private alternative loan as payment toward the Student Accounts bill, the student must have received **final** approval from the lender. Processing time varies from lender to lender, but the average approval time is two to four weeks if everything is submitted in a timely manner. Be sure to allow enough time for processing.

Please refer to our [Code of Conduct](#) regarding Educational Loans.