

# Federal Grants and Loans

Please see the appropriate tab for information regarding federal aid.

## Undergraduate

Students who register for a course that is not required for their program of study may experience an adjustment/reduction in financial aid. The university cannot offer financial aid for classes that do not count toward a student's degree requirements; therefore, a student's net tuition expense could be higher.

A student's enrollment in a program of study abroad approved for credit by the home school may be considered enrollment at the home school for the purpose of applying for assistance under the Title IV, HEA program.

### Federal Pell Grant

The Federal Pell Grant is a federally funded entitlement program to assist qualified undergraduate students with exceptional financial need. Eligibility for these grants is determined by the U.S. Department of Education based on the information provided on the FAFSA. Pell recipients can attend at less-than-half-time status and remain eligible for a portion of their Pell Grant. Students with a previous bachelor's degree are not eligible for a Federal Pell Grant.

The maximum, full-time Pell Grant offer for the 2020–21 academic year (July 1, 2020 to June 30, 2021) was \$6,345. The maximum Pell Grant offer can change each academic year and depends on program funding. Further information may be obtained from the U.S. Department of Education.

The amount of Federal Pell Grant funds a student may receive over their lifetime is limited by law to be the equivalent of six years of Pell Grant funding. Since the maximum amount of Pell Grant funding the student can receive each year is equal to 100 percent, the six-year equivalent is 600 percent.

Campus-based financial aid programs, including the Federal Supplemental Educational Opportunity Grant (SEOG) and Federal Work-Study programs, are administered by Johnson & Wales University. Students must annually apply for these programs through the filing of the FAFSA.

### Federal Supplemental Educational Opportunity Grant (SEOG)

This federally funded program provides financial assistance to qualified undergraduate students who demonstrate exceptional financial need. Amounts may vary based on the availability of funds. Students with a previous bachelor's degree are not eligible for SEOG.

### Federal Work-Study Program

Federal Work-Study (work-study) is a federally funded program that provides part-time employment to undergraduate students with financial need. Due to limited funding, not all eligible students will receive work-study. Amounts may vary based on the availability of funds. Those interested in being considered for work-study are strongly encouraged to apply for financial aid as soon as the Free Application for Federal Student Aid (FAFSA) becomes available on October 1. Positions are available throughout the university and with selected off-campus community service agencies.

Work-study gives students the opportunity to earn money to help pay for educational expenses. Students are paid an hourly rate for actual hours worked. The amount earned cannot exceed the total work-study award. Work-study funds are paid biweekly directly to the student; therefore, funds will not be applied to the student's account unless arrangements are made with Student Academic & Financial Services.

### William D. Ford Federal Direct Subsidized Loan

This loan program provides loans to undergraduate students who demonstrate financial need. First-time borrowers are required to complete a Master Promissory Note (MPN) and entrance counseling. The terms of any loan received by a student as part of the student's financial aid offer, a sample loan repayment schedule for sample loans, and the necessity for repaying loans will be explained in your entrance counseling. Both of these requirements can be completed online.

Students may borrow up to a maximum of \$3,500 per academic year for the first year of undergraduate study as new students, \$4,500 for the second year as sophomores, and \$5,500 per year for the third and fourth years as juniors and seniors. The student must begin repayment six months after he/she leaves the university or drops below half-time status. The amount of the student's monthly payment will be determined based upon the amount of

student debt and the length of the repayment period. Please contact the Direct Lending Student Loan Support Center at 1-800-557-7394 for more information on repayment options. The average amount of undergraduate loan debt for a student borrower starting as a first-time student and receiving a bachelor's degree for FY2020 is \$39,073. Student loan borrowers were 81% of the students receiving bachelor's degrees who started as first-time students at JWU.

For students who are first-time borrowers on or after July 1, 2013, there is a limit on the maximum period of time (measured in academic years) during which they can receive Direct Subsidized loans. Students may not receive Direct Subsidized loans for more than 150% of the published length of their program, known as their "maximum eligibility period." For example, if a student is enrolled in a four-year bachelor's degree program, the maximum period for which the student can receive Direct Subsidized loan is six years, or 150% of the program length. For more information, please contact the Financial Planning office.

### William D. Ford Federal Direct Unsubsidized Loan

Like the Direct Subsidized Loan program, this Direct Unsubsidized Loan program also offers loans to students. While most of the loan terms are the same as the subsidized loan program, there are some major differences:

1. Students do not have to demonstrate financial need to receive a Direct Unsubsidized Loan.
2. The federal government does not pay interest on the borrower's behalf while the borrower is enrolled in school.

During that time, the student borrower can choose between making quarterly interest payments or "capitalizing" interest. "Capitalizing" interest means that the lender will add interest accrued to the principal balance. This will eliminate the need for interest payments while in school, but will result in a larger principal amount owed upon repayment.

### William D. Ford Federal Direct Parent Loan Program for Undergraduate Students (PLUS)

The Direct PLUS Program provides loans to parents of dependent students to attend college. PLUS borrowers do not have to demonstrate need, but must not have an adverse credit history. All students must complete the Free Application for Federal Student Aid (FAFSA) if their parents plan to borrow a PLUS loan. The parent must also complete the Direct PLUS Master Promissory Note (MPN); an MPN can be completed online. In addition, the parent must indicate how much they want to borrow. Repayment of this loan will begin within 30 days of the time the loan is fully disbursed annually, or the borrower can contact the Department of Education to request a deferment. The borrowing limit is the total cost of attendance, minus any financial aid being received.

### Increased Direct Unsubsidized Loan Limits for Independent Students and Dependent Students Whose Parents Don't Qualify for a PLUS

There are higher additional unsubsidized annual loan limits for independent undergraduate students. These higher additional unsubsidized loan limits also apply to dependent undergraduate students whose parents are unable to borrow PLUS loans due to adverse credit or other documented exceptional circumstances.

- \$3,500 combined subsidized and/or unsubsidized plus \$6,000 additional unsubsidized for independent first-year undergraduates
- \$4,500 combined subsidized and/or unsubsidized plus \$6,000 additional unsubsidized for independent second-year undergraduates
- \$5,500 combined subsidized and/or unsubsidized plus \$7,000 additional unsubsidized for independent third-, fourth- or fifth-year undergraduates

Starting with loans associated with the 2021–22 award year, the Department of Education's Annual Student Loan Acknowledgement process must be completed annually for the first loan a borrower receives for that award year. This confirmation process will now require student and parent borrowers to review how much they currently owe in federal student loans, and to acknowledge that they have reviewed this amount before a school can make a first disbursement of the first Direct Loan that a student or parent borrower receives for each new award year.

## Subsidized and Unsubsidized Total

### Dependent Undergraduates (Excluding Dependent Students Whose Parents Don't Qualify for a PLUS)

Year	Range
First Year	\$3,500–5,500
Second Year; sophomore	\$4,500–6,500
Third Year and Beyond; junior, senior	\$5,500–7,500

### Independent Undergraduates and Dependent Students Whose Parents Don't Qualify for a PLUS

Year	Range
First Year	\$3,500–9,500
Second Year; sophomore	\$4,500–10,500
Third Year and Beyond; junior, senior	\$5,500–12,500

Note: All undergraduate annual loan amounts are subject to proration.

Please note that students/borrowers remain responsible for the repayment of educational loans that they borrow, even if they are not successful in completing the educational program and/or obtaining employment.

No student is required to apply for, or accept, any particular type of financial aid.

Johnson & Wales University participates in the William D. Ford Federal Direct Loan Program. All Direct Loans and parent PLUS Loans will be borrowed from the US Department of Education.

Please note that the loan information described in this catalog is based upon the available information as of the date of the production of this catalog. Updated information regarding federal grants and loans may be obtained by visiting the U.S. Department of Education website.

Applications for these loans are available on the Direct Lending website.

Aid from these programs is awarded on the basis of financial need. In order to receive maximum consideration for financial assistance, it is recommended that the student apply as soon as possible after October 1. The award process for first-year students begins in November of each academic year. Renewal of financial aid is not automatic. Recipients are required to reapply each year by the announced deadline.

To be eligible for these programs, students must meet the following criteria:

For most programs, students must

1. Demonstrate financial need;
2. Maintain satisfactory academic progress (financial aid will be suspended until satisfactory academic progress is again achieved);
3. Be enrolled in an eligible degree or certificate program;
4. Be enrolled on at least a half-time (at least 6.0 semester credit hours) basis (students enrolled on a less-than-full-time basis may have their financial aid reduced; some students enrolled on a less-than-half-time basis may qualify for a Federal Pell Grant);
5. Be a U.S. citizen or eligible non-citizen;
6. Not owe a refund on a Federal Student Aid Grant (e.g., Federal Pell Grant, etc.) or be in default on a Federal Student Aid loan; and
7. Sign a Statement of Educational Purpose, a Statement of Registration Status and a Statement on Overpayments and Defaults.

Students are eligible to receive federal and state financial aid as long as they maintain Satisfactory Academic Progress (SAP) as defined in the SAP section of the catalog and Student Handbook. Students who fail to maintain SAP will be notified by Student Academic & Financial Services. All federal and state financial aid will be suspended until satisfactory academic progress is again achieved.

### Return of Title IV Funds (Federal Aid)

When a student withdraws (or becomes withdrawn) during a payment period or period of enrollment, the amount of student financial aid program assistance earned is determined by a specific formula. If the student receives (or the university receives on the student's behalf) less assistance than the amount earned, the student may be able to receive those additional funds. Students who received more assistance than what they earned must return the excess funds.

The amount of federal assistance earned is determined on a pro-rata basis. That is, if a student completes 30% of the payment period or period of enrollment, the student earns 30% of the federal assistance the student was originally scheduled to receive. Once the student completes more than 60% of the payment period or period of enrollment, the student earns all scheduled federal assistance.

The student's loan monies (subsidized, unsubsidized and PLUS) must be on record with the Department of Education before the student's last day of attendance in order for the money to be considered within the formula. If the student is eligible for a post-withdrawal disbursement, a written notice will be mailed requesting the consent of the borrower to post the funds to the student's account. The amount of institutional assistance earned is based on the week that the student withdraws from the university and follows the percentage the university credits the student's charges.

If a student receives excess funds that must be returned, Johnson & Wales University must return a portion of the excess, equal to the lesser of

- the student's institutional charges multiplied by the unearned percentage of the student's funds
- the entire amount of the excess funds

If the university is not required to return all excess funds, the student must return the remaining amount. Any loan funds that the student must return must be repaid by the student (or the student's parents for a PLUS Loan) in accordance with the terms of the promissory note.

If a student is responsible for returning grant funds, the student does not have to return the full amount. Students are not required to return 50% of the grant assistance received that is the student's responsibility to pay. Any amount not returned is a grant overpayment and the student must make arrangements with the university or Department of Education to return the funds.

Federal regulations establish the following allocation for students who receive Title IV, HEA program funds:

A refund owed to a student who received funds under any Title IV, HEA program will be returned to the Title IV, HEA programs from which the student received aid in the following order until the amounts received by the student from these programs is eliminated: the Unsubsidized/Subsidized Direct Loan, Parent PLUS Loan, Pell Grant, FSEOG program, all other sources of aid, and the student.

\*\*Please note that Student Academic Services, Experiential Education & Career Services, and Center for Academic Support are integrated on the Charlotte Campus. The department is now called the Academic & Career Excellence Center (ACE Center).

## Graduate

Students who register for a course that is not required in their program of study may experience an adjustment/reduction in financial aid. The university cannot offer financial aid for classes that do not count toward a student's degree requirements; therefore, a student's net tuition expense could be higher.

A student's enrollment in a program of study abroad approved for credit by the home school may be considered enrollment at the home school for the purpose of applying for assistance under the Title IV, HEA program.

### William D. Ford Federal Direct Unsubsidized Loan

This loan program offers low-interest loans to students who demonstrate little or no financial need. The federal government does not pay the interest on the borrower's behalf while the borrower is enrolled in school. During that time, the student borrower can choose to make quarterly interest payments, or to "capitalize" interest. "Capitalizing" means the lender will add interest accrued to the principal balance. This will eliminate the need for interest payments while in school. A Master Promissory Note for these loans is located online. Loans made under federal loan programs are applied to the student's account with the university in equal disbursements per semester based on the loan period and the student's entrance date.

Students should check with their financial planner to determine their maximum annual loan amount. Students must begin repayment six months after they leave college or drop below half-time status. The interest on the loan is not subsidized during the student's six-month grace period. The amount of the student's monthly payment will be determined based upon the amount of the student's debt and the length of the student's repayment. The average amount of graduate loan debt for a student borrower receiving a

graduate degree for FY2020 is \$42,048. Student loan borrowers were 61% of the students receiving graduate degrees in FY2020.

Starting with loans associated with the 2021–22 award year, the Department of Education's Annual Student Loan Acknowledgement process must be completed annually for the first loan a borrower receives for that award year.

All MPN confirmation processes will now require student borrowers to view how much they currently owe in federal student loans, and to acknowledge that they have seen this amount before a school can make a first disbursement of the first Direct Loan that a student or parent borrower receives for each new award year.

Campus-based financial aid programs, including Federal Work-Study programs, are administered by Johnson & Wales University. Students must annually apply for these programs through the filing of the FAFSA.

### **Federal Teacher Education Assistance for College and Higher Education (TEACH) Grant**

The TEACH Grant Program provides grants of up to \$4,000 a year to students who are completing or plan to complete coursework needed to begin a career in teaching.

Processing fees for federal programs are assessed annually and will reduce the award amount for which a recipient would otherwise have been eligible. For example:

- For any 2020–21 TEACH Grant first disbursed on or after Oct. 1, 2020, and before Oct. 1, 2021, the maximum award of \$4,000 is reduced by 5.7% (\$228), resulting in a maximum award of \$3,772.

As a condition for receiving a TEACH Grant, you must sign a *TEACH Grant Agreement to Serve* in which you agree (among other requirements) to teach

- in a high-need field;
- at an elementary school, secondary school, or educational service agency that serves students from low-income families; and
- for at least four complete academic years within eight years after completing (or ceasing enrollment in) the course of study for which you received the grant.

**Note:** If you do not meet the requirements of your service obligation, all TEACH Grants you received will be converted to Direct Unsubsidized Loans. You must repay these loans in full, with interest charged from the date of each TEACH Grant disbursement.

The Department of Education has established a process for certain TEACH Grant recipients whose TEACH Grants were converted to Direct Unsubsidized Loans to request reconsideration of the conversions. You can request a reconsideration if you met or are meeting the TEACH Grant service requirements within the eight-year service obligation period, but had your grants converted to loans because you did not comply with the annual certification requirement.

Students must meet the teaching requirements within eight years of completing the program for which the TEACH Grant was awarded. The student is required to sign a service agreement to this effect and complete all required counseling to receiving a TEACH Grant.

**Note:** If you do not meet the requirements of your service obligation, all TEACH Grants you received will be converted to Direct Unsubsidized Loans. You must repay these loans in full, with interest charged from the date of each TEACH Grant disbursement.

To be eligible for a TEACH Grant, you must do the following:

- Meet the basic eligibility criteria for the federal student aid programs.
- Complete the *Free Application for Federal Student Aid (FAFSA)* form.
- Be enrolled in a TEACH-Grant-eligible program.
- Meet certain academic achievement requirements (generally, scoring above the 75th percentile on one or more portions of a college admissions test or maintaining a cumulative GPA of at least 3.25).
- Receive TEACH Grant counseling that explains the terms and conditions of the TEACH Grant service obligation. You must complete counseling each year that you receive a TEACH Grant.
- Sign a *TEACH Grant Agreement to Serve*.

*We recommend all students considering a TEACH Grant review additional information about the program.*

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

Federal Work-Study is a federally funded program that provides part-time employment to undergraduate students with financial need. Positions are available throughout the university and with selected off-campus community service agencies.

Work-study gives students the opportunity to earn money to help pay for educational expenses. Students are paid an hourly rate for actual hours worked. The amount earned cannot exceed the total work-study award. Work-study funds are paid biweekly directly to the student; therefore, funds will not be applied to the student's account unless arrangements are made with Student Academic & Financial Services.

### **Return of Title IV Funds**

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A refund owed to a student who received funds under any Title IV, HEA program will be returned to the Title IV, HEA programs from which the student received aid in the following order until the amounts received by the student from these programs are eliminated: the Federal Direct Unsubsidized Loan program, all other sources of aid, and the student.

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

Federal Work-Study (work-study) is a federally funded program that provides part-time employment to undergraduate students with financial need. Due to limited funding, not all eligible students will receive work-study. Amounts may vary based on the availability of funds. Those interested in being considered for work-study are strongly encouraged to apply for financial aid as soon as the Free Application for Federal Student Aid (FAFSA) becomes available on October 1. Positions are available throughout the university and with selected off-campus community service agencies.

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