

# Federal Grants and Loans

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 2024–25 academic year (July 1, 2024 to June 30, 2025) was \$7,395. 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.

## 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. The Master Promissory Note and entrance counseling 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 1-800-433-3243 for more information on repayment options. The average amount of undergraduate federal loan debt for a student borrower starting as a first-time student and receiving a bachelor's degree for FY2024 is \$27,992. Student borrowers with federal loan debt were 81% of the students receiving bachelor's degrees in FY2024 who started as first-time students at JWU.

## 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

## 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 Federal Student Aid website.

Applications for these loans are available on the Federal Student Aid 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 soon after the FAFSA becomes available 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. Have a valid Social Security number (with the exception of students from the Republic of the Marshall Islands, Federated States of Micronesia, or the Republic of Palau);
7. 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
8. Sign a Statement of Educational Purpose and a Statement on Overpayments and Defaults.

Students can find additional details regarding eligibility for federal student aid on the U.S. Department of Education's Eligibility for Federal Student Aid website.

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 Financial Services. All federal and state financial aid will be suspended until satisfactory academic progress is again achieved.

### **Career-Focused Bachelor's Degrees**

JWU's career-focused baccalaureate programs are eligible for Title IV federal financial aid. However, students who leave JWU having completed a career-focused baccalaureate degree but later choose to return to JWU or attend another institution to complete additional undergraduate credits, either to earn a certificate of postbaccalaureate studies or to earn a second baccalaureate degree, will not be eligible for federal grant aid and may have limited eligibility for other federal aid programs. For more details, see Subsidized and Unsubsidized Loans: Federal Student Aid and Federal Pell Grants: Federal Student Aid.

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

The law specifies how Johnson & Wales (JWU) must determine the amount of Title IV program assistance that students earn if they withdraw from school. The Title IV programs that are covered by this law are Federal Pell Grants, TEACH Grants, Federal Supplemental Educational Opportunity Grants (FSEOGs), Direct Loans, and Direct PLUS Loans (including Graduate PLUS Loans).

Though aid can be posted to accounts at the start of each period, students earn the funds as they complete the period. Students who withdraw during their payment period or period of enrollment are subject to a specific formula to determine the amount of Title IV program assistance that they have earned. Students who received (or JWU received) less assistance than the amount that they earned may be able to receive those additional funds in the form of a post-withdrawal disbursement. Students who received (or JWU received) more assistance than they earned must return the excess funds.

The amount of assistance earned is determined on a pro rata basis. For example, students who complete 30% of their payment period or period of enrollment earn 30% of the assistance they were originally scheduled to receive. Students who complete more than 60% of the payment period or period of enrollment earn all of the eligible assistance that they were scheduled to receive for that period. 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. Specific examples of Return of Title IV Funds (Federal Aid) are available upon request via the JWU Consumer Information page contact.

In certain situations (i.e., module delivery), students may not be subject to returns of their Title IV program assistance if they successfully complete one of the following exemptions:

- all graduation requirements
- a class or multiple classes that comprise at least 49% of the days in the term
- a class or multiple classes that comprise at least half-time enrollment

Students who did not receive all funds earned may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, JWU must receive the student's permission before the university can disburse them. Students may choose to decline some or all of the loan funds so that they don't incur additional debt. JWU may automatically use all or a portion of this post-withdrawal disbursement for tuition, fees, and room and board charges, but will email requesting the consent of the borrower (i.e., the

student or parent) to post the funds for all other institutional charges to the student's account.

Some Title IV funds cannot be disbursed once students withdraw because of other eligibility requirements. For example, first-time, first-year undergraduate students who have not completed the first 30 days of their program before they withdraw will not receive any Direct Loan funds that they would have received had they remained enrolled past the 30th day. Federal loans must be certified prior/on the student's last date of attendance.

Students (or JWU or parents on behalf of students) who receive excess Title IV program funds must return a portion of the excess funds equal to the lesser of

- institutional charges multiplied by the unearned percentage of funds, or
- the entire amount of excess funds

JWU must return this amount even if it didn't keep this amount of the student's Title IV program funds. If JWU is not required to return all of the excess funds, students may be required to return the remaining amount.

Students (or parents for a Direct PLUS Loan) will repay any loan funds that must be returned in accordance with the terms of the promissory note. That is, students will not be required to repay any loan funds immediately, but instead, will make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that students must return is referred to as an overpayment. The maximum amount of a grant overpayment that students must repay is half of the grant funds received or were scheduled to receive. Students do not have to repay a grant overpayment if the original amount of the overpayment is \$50 or less. Students must make arrangements with JWU or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when students withdraw are separate from any refund policy that JWU may have. Therefore, students may still owe funds to JWU to cover unpaid institutional charges. JWU may also charge students for any Title IV program funds that JWU was required to return.

Refer to the University Withdrawal Credit Policy for more information regarding JWU's institutional refund policy.