



# Office of Financial Aid & Scholarships

Spring Newsletter  
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## Summer 2012 Financial Aid

Students who enroll at least half time (i.e., six credit hours for undergraduates and five credit hours for graduates) for summer 2012 in an approved program of study at James Madison University may qualify for summer financial aid. You must complete two applications to receive consideration. First, you must file a 2012-2013 Free Application for Federal Student Aid (FAFSA), which is available online at <http://www.fafsa.gov/>. Next, you will need to complete JMU's 2012 summer financial aid application, which you can access on our website beginning March 19, 2012. The Office of Financial Aid and Scholarships will use the information from these two forms to determine your eligibility for Federal Pell Grant, Federal Direct Loan, Federal Grad PLUS Direct Loan, and Federal Parent PLUS Direct Loan funding during the summer. If you anticipate receiving the Federal Pell Grant, you should complete the summer aid application regardless of enrollment level. You can learn more about financial aid for summer by visiting our website at <http://www.jmu.edu/finaid/>.

## Submit Your FAFSA before March 1

To receive priority consideration for 2012-13 financial aid, submit your Free Application for Federal Student Aid (FAFSA) before March 1, JMU's priority filing date. (Remember, the federal government must receive your FAFSA by March 1.) If necessary, you may estimate your income and make corrections later.

Go to <http://www.fafsa.gov/> and complete your application now!

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## *May Graduates: Exit Loan Counseling Requirements*

If you plan to graduate in spring 2012 and you borrowed Federal Stafford (or Direct) Loans, Federal Grad PLUS (or Direct Grad PLUS) Loans, or Federal Perkins Loans while enrolled at JMU, you must complete exit loan counseling. You can complete exit counseling for your Stafford (or Direct) Loans and Grad PLUS Loans at <http://www.jmu.edu/finaid/forms.shtml>.

Choose "Exit Loan Counseling" from the "Forms" menu.

If you never received a Federal Direct Loan, but previously borrowed a Federal Stafford Loan through a bank or other private lending agency, please contact the financial aid office for guidance about exit counseling.

For your Perkins Loan, visit the University Business Office Web site at [www.jmu.edu/ubo/perkins.shtml](http://www.jmu.edu/ubo/perkins.shtml) for information about exit counseling requirements.



## *We Can't Say this Enough... Submit Your 2012-13 FAFSA Now!*

Submit your Free Application for Federal Student Aid (FAFSA) before March 1, 2012, James Madison University's priority filing date. For JMU to consider your application on time, the federal processor must receive it by March 1. Applying on time ensures you receive priority consideration for state and federal financial aid. JMU uses the FAFSA to determine your eligibility for some institutional grant and scholarship programs as well. If necessary, you may estimate your income on the FAFSA and make corrections later. Late applications can result in less attractive financial aid packages.

Completing your FAFSA online is the quickest and most accurate way to apply for financial aid. Submitting a FAFSA comes with no strings attached. Go to <http://www.fafsa.gov/> and complete your application now!

## *Remember to Report Your Federal Work-Study Earnings on your FAFSA*

Take steps to ensure that 2011 calendar year Federal Work-Study (FWS) earnings do not affect your eligibility for need-based financial aid next year. If reported correctly on your 2012-13 Free Application for Federal Student Aid (FAFSA), the federal processor will exclude FWS earnings when calculating your ability to pay educational expenses.

Follow these instructions when you fill out the FAFSA to record your FWS properly.

1. Determine your 2011 calendar year (i.e., January 1, 2011 to December 31, 2011) FWS earnings. You can find paycheck information through J-Ess via MyMadison at [mymadison.jmu.edu](http://mymadison.jmu.edu) (Click on the EMPLOYEE tab!) or on your W-2 form provided by the JMU Office of Payroll Services. Employers mail W-2 forms to the home address in mid to late January.
2. Report all earnings from January 1, 2011 to December 31, 2011 in the adjusted gross income (AGI) box of the FAFSA. Your AGI includes FWS earnings as well as any income from other jobs.
3. Another question on the FAFSA will ask you to report just your FWS earnings from January 1, 2011 to December 31, 2011. The earnings you report here will not count toward determining your financial aid eligibility.

Note: If you had two or more jobs at JMU during the 2011 calendar year, please contact the Student Work Experience Center to receive assistance with calculating your total FWS earnings.

## Scholarships for 2012-13

Approximately 1,400 current undergraduates submitted a 2012-13 scholarship application by our January 17, 2012 deadline. These students will receive consideration for many of the 200 plus scholarships awarded by the Office of Financial Aid and Scholarships. During the month of July, all applicants will receive a response from us, regardless of whether they receive a scholarship.

Visit our website at [www.jmu.edu/scholarships](http://www.jmu.edu/scholarships) to learn more about JMU scholarships and outside sources of funding.

## 2012-13 Financial Aid Awards

The Office of Financial Aid and Scholarships will begin awarding financial aid for the 2012-13 academic year after posting of spring 2012 grades and confirmation of students' achievement of Satisfactory Academic Progress (SAP) standards. Remember that federal regulations require that students meet minimum SAP requirements to qualify for financial aid each year. Review of academic progress begins in mid-May.

Awarding for students who apply for summer 2012 financial aid will begin in April, before posting of spring grades. Consequently, review of academic progress may result in some students' disqualification for financial aid. Summer session awards are subject to cancellation based on the SAP review conducted by the office of financial aid.

The Undergraduate [SAP Estimator](#) can help you determine whether your academic progress meets the requirements to receive financial aid. Students can fail SAP for reasons related to a low grade point average, too many incomplete grades, withdrawals, receipt of "F" grades, and taking too long to earn their degree. Review the SAP policy for both undergraduate and graduate students on our website at <http://www.jmu.edu/finaid/sap.shtml>.

## Loan Repayment: Who Ya Gonna Call?

You can learn more about your current loan status and your options for repayment from our website. The loan repayment section focuses primarily on federal student loans and includes a link to the [National Student Loan Data System \(NSLDS\)](#), where you can retrieve your federal loan history.

For questions about your specific loan, you will need to contact your loan servicer. A loan servicer is a financial institution that administers student loans, which includes billing the borrower and accepting payment. Be aware that Direct Loan Servicing does not service some Direct Loans. You can identify your servicer(s) through the NSLDS by looking up your individual loans. While the federal government tries to keep all of your Direct Loans with a single servicer, you should review your loan history in NSLDS to determine your status.

We highly recommend you review the information on our website, as it will give you the best idea of what to expect when your repayment period begins. In addition, we include links to information regarding consolidation, repayment plans, loan forgiveness, and general financial literacy.

If you have taken out a private loan, you should contact your lender directly regarding loan repayment.

<http://www.jmu.edu/finaid/loanrepay.shtml>

## Summer 2012 Employment

For information about summer jobs, contact the Student Work Experience Center at [studentjobs@jmu.edu](mailto:studentjobs@jmu.edu) or visit their website at [www.jmu.edu/stuemploy/](http://www.jmu.edu/stuemploy/).

New JMU employees must present their original social security card to their employer upon hire. This is a payroll requirement.

## Join Us on Facebook

The Office of Financial Aid and Scholarships has joined Facebook! For information regarding important updates and deadlines, please "Like" the [JMU Financial Aid page](http://www.jmu.edu/financialaid).



## Satisfactory Academic Progress (SAP) Estimator

We developed this online estimator to help undergraduate students determine whether their academic progress meets the requirements to receive financial aid.

<http://www.jmu.edu/financialaid/sap.shtml>



## Satisfactory Academic Progress (SAP)

All undergraduate and graduate students must meet Satisfactory Academic Progress (SAP) requirements to receive financial aid. Federal regulations require each institution to have a SAP policy, which establishes the minimum academic standards for financial aid eligibility. We developed the Undergraduate SAP Estimator to help students determine whether their academic progress meets the requirements to receive financial aid. For a detailed description of JMU's requirements and to use the online estimator, visit our website at <http://www.jmu.edu/financialaid/sap.shtml>.

The Office of Financial Aid and Scholarships measures your academic progress once per year. If you are unable to meet SAP requirements, you could lose your eligibility for financial aid, including federal loans.

Students may appeal denial of financial aid if they could not meet SAP requirements due to extenuating circumstances. Beginning with the 2012-13 award year, students who wish to appeal must do so by a prescribed deadline.

### 2012-13 Appeal Deadlines

- Summer 2012 – Monday, June 28, 2012
- Fall 2012 – Monday, September 10, 2012
- Spring 2013 – Monday, January 21, 2013

Academic progress standards for financial aid differ from those used by the university to determine your eligibility for continued enrollment. Therefore, in many cases, students denied financial aid could continue taking classes. These students would need to arrange for alternative funding to pay university charges.

Contact the financial aid office if you have any questions about how withdrawals or "F" grades might affect you.

## Big Changes in Federal Loans Beginning July 1, 2012

The Budget Control Act of 2011, passed on August 2, 2011, brings about some significant changes to the federal student loan program. Here is a brief summary of provisions that go into effect July 1, 2012:

- Federal Direct Subsidized Loans for graduate students are eliminated. This means all federal student loan money for graduates will be unsubsidized.
- For all students, Direct Loan Repayment Incentives were eliminated. These incentives provided a means to make loans affordable on the front end and while in repayment. On the front end, rebates had been provided to reduce the origination fee, meaning the student received more loan money to use for educational purposes due to fewer upfront fees deducted prior to disbursement. In repayment, students could qualify for reductions to their interest rate making

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## Private Loan Borrowers

A private/alternative loan is an educational loan in the student's name through a private lender (a cosigner may be required). To ensure timely receipt of your 2012-13 private loan funds, avoid peak processing times and begin the application process in May or June 2012. For information about some of the lenders who offer alternative/private student loans, visit our website at <http://www.jmu.edu/finaid/altloans.shtml>. We suggest you research the loans and the lenders to find the best interest rate and terms before you decide to apply.

**IMPORTANT:** We encourage students to borrow their maximum in the Federal Direct Loans prior to borrowing from an alternative loan because Federal Direct Loans generally have more favorable terms.



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the overall cost of the loan less expensive. The only repayment incentive that may still be possible is an interest rate reduction for a borrower who agrees to automatically debited electronic loan payments.

A change that has nothing to do with the Budget Control Act of 2011 is that interest rates on Federal Direct Subsidized Loans for undergraduate students will increase from the current fixed rate of 3.4 percent to a new fixed rate of 6.8 percent for all new loans taken on or after July 1, 2012.

In summary, federal loan money is going to be more expensive for the borrower beginning next year. Before you decide to “jump ship” from the federal loan program and go to private educational loans for funding, please keep in mind the benefits that are still part of the federal student loan program that private lenders are not required to give you. There are more things to consider when taking out a student loan than just the interest rate. For example, federal loans offer the following:

- Congressionally mandated deferment and forbearance periods for qualifying borrowers that you don't have with private educational loans.
- Multiple repayment plan options to help make repayment more affordable. In some cases the payment could even be \$0 for a period of time. You don't have these options with private educational loans.
- Loan forgiveness for qualifying borrowers that is not there with private educational loans.
- Loan discharge due to death or permanent disability. This means if something happens to the borrower along these lines the debt is forgiven and no one is responsible for it. With private educational loans, the co-signer is still responsible for the debt.
- Fixed interest rate that will not increase if rates in the general economy increase in the future. Most private educational loans have variable interest rates, and in years past we've seen these interest rates in double digits. No one can accurately predict what interest rates will be in the next 10 years.
- Tax deductions for loan interest paid by qualifying borrowers are only available with federal student loans, not private loans.

Additionally, on December 23, 2011, President Obama signed into law the Consolidated Appropriations Act, 2012 (Public Law 112-74). This new law temporarily eliminates the interest subsidy provided on Direct Subsidized Loans during the six-month grace period provided to students when they are no longer enrolled on at least a half-time basis. This change will be effective for new Direct Stafford Loans for which the first disbursement is made on or after July 1, 2012, and before July 1, 2014.



## Don't Get Scammed!

Beware of private businesses that offer to assist you with applying for financial aid or scholarships for a fee. Financial aid information is available to students and parents free of charge. When in doubt, contact your financial aid office. We are here to help you.

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## Take Control of Your Finances

Are you familiar with creating a personal budget? Can you balance your checking account? Do you understand how credit cards work? Do you know your FICO score? If you are taking out loans to help pay for college, do you have a plan for managing your debt after graduation? We address these questions and many more in financial literacy training offered by the Office of Financial Aid and Scholarships.

Visit our website at <http://www.jmu.edu/finaid/finliteracy.shtml>, listen to a financial literacy podcast and read about a variety of timely topics.



## Federal Pell Grant Change

The Consolidated Appropriations Act, 2012 (Public Law 112-74) that President Obama signed into law on December 23, 2011 makes some changes to the Federal Pell Grant Program. Beginning with the 2012-13 aid year, the duration of a student's eligibility to receive a Federal Pell Grant will change from 18 semesters (or its equivalent) to 12 semesters (or its equivalent). This change applies to all students regardless of the first time they received Pell Grant funds.

## Report Your Outside Scholarships

If you receive a scholarship for the 2012-13 academic year from an organization other than James Madison University, you need to share your good news with the Office of Financial Aid and Scholarships as early as possible. Complete a Supplemental Information Sheet available on our Web site at [www.jmu.edu/finaid/](http://www.jmu.edu/finaid/). Choose "Forms" from the menu on the left side of your screen. Then, select "Supplemental Information Sheet".

State and federal regulations require us to consider outside sources of financial assistance when preparing a financial aid package for you. Late addition of an outside scholarship could cause your award package to exceed the maximum allowed based on educational costs. We use the term "overaward" to describe this situation. If you have an overaward, a reduction to your aid package could be necessary. By submitting your Supplemental Information Sheet early, you reduce the likelihood that your financial aid package will change.

## Communicating with Students and Parents

You, the student, are the primary point of contact for the Office of Financial Aid and Scholarships. Therefore, you cannot rely on your parents to keep track of the FAFSA priority filing date, scholarship application deadline, or information our office requests to process your financial aid.

Your James Madison University email (*dukes.jmu.edu* email account) serves as one of two official methods our office uses to communicate with you. (The other one is MyMadison.) If you currently redirect email sent to your official JMU email address/account to another email provider, you should not use this option to send correspondence to the financial aid office. Please log in to Live@edu to send an official message to us. In addition, when you submit your email message, remember to include your name and your JMU student identification number. This information helps us provide better service to you.

When students choose to use a non-JMU email service, which includes redirecting email sent to their official JMU email address/account to another email service, we cannot assume any message received reflects their wishes. Therefore, an unavoidable delay may result. With official JMU email (*dukes.jmu.edu* email account), you provide an electronic signature that authorizes us to take the desired action on your behalf. Remember that you should always include your name and student identification number with any correspondence.

## *Dates to Remember*

### **March 1, 2012**

FAFSA priority filing date for 2012-13

### **March 19, 2012**

Summer 2012 aid application available

### **April 27, 2012**

Last day to apply for a 2011-12 Federal Parent PLUS Direct Loan

### **May 3, 2012**

Last day to apply for a 2011-12 Federal Direct Loan

### **Mid-May 2012**

Satisfactory Academic Progress (SAP) review begins for 2012-13

### **May 14, 2012**

Summer 2012 session begins

### **Early June 2012**

Financial aid awarding begins for the 2012-13 academic year

### **July 2012**

Financial aid notifies students regarding scholarship decisions for 2012-13

### **August 27, 2012**

Fall 2012 semester begins

## *Financial Aid Q & A*

### **Q: What happens if my parent's PLUS Loan is denied?**

A: You may be eligible for additional unsubsidized Federal Direct Loan funds. Contact the financial aid office for details.

### **Q: What will happen if I just stop going to class without officially withdrawing?**

A: You could fail the class and risk losing some or all of your financial aid.

### **Q: Can I receive financial aid for a summer study abroad program?**

A: In some cases, yes, students can receive financial aid for summer study abroad. On your JMU summer aid application, indicate the trip you are planning, and we will evaluate your eligibility.

### **Q: Where can I learn more about the financial aid rules at JMU?**

A: You can find answers to most of your questions on our website at <http://www.jmu.edu/finaid/>. Start by reading "JMU Terms & Conditions for Financial Aid - Consumer Information" in the "Forms" section of our website.

### **Q: I don't have regular access to a computer, so it's hard for me to review information on your web site, what can I do?**

A: All of the information published on our website is available in print form as well. If you prefer paper, please contact our office.

### **Q: Can I access my financial aid funds to purchase my books?**

A: Students should not count on using financial aid refunds to buy textbooks. Unexpected delays can occur. Some circumstances that may cause delays include less than full-time enrollment, late registration for classes, and not using direct deposit.

***Review consumer disclosure information, financial aid policies and procedures, and find more answers to frequently asked questions on our website at:***

<http://www.jmu.edu/finaid/termsandconditions.shtml>



**HAVE A GREAT AND SAFE SPRING BREAK!!!**