

## Financial Assistance

# Guide to Your Federal/State Financial Aid Award 2009/2010

This guide is provided to you as a recipient of federal and/or state financial aid to help you understand the terms and conditions associated with the financial aid listed on the enclosed award notification. We encourage you to share this information with your family. If you have any questions, please contact us. Our office is open from 9 a.m. to 5 p.m. ET, Monday through Friday.

### How Financial Aid Awards Are Determined

Eligibility for federal funds is based on information reported on the Free Application for Federal Student Aid (FAFSA) and formulas legislated by Congress. An Expected Family Contribution (EFC) is determined and consists of: 1) a calculated parent contribution, 2) 35 percent of a student's accumulated savings, and 3) expected savings from student employment other than Federal Work-Study. The EFC is subtracted from the total educational costs for the academic year to determine your calculated financial eligibility, which is your **maximum** eligibility. Total financial aid from all sources cannot exceed this amount.

### Financial Aid Programs

*One or more of the following awards may be included on your notification.*

**Federal Pell Grant:** A grant from the federal government for low-income students to promote access to post-secondary education. Federal formulas are used for calculating the Expected Family Contribution (EFC). Once applicant eligibility data has been verified, the EFC is used to determine Pell Grant eligibility.

**Federal Supplemental Educational Opportunity Grant (FSEOG):** A grant program funded by a federal allocation and a matching contribution from Boston University. The University selects recipients in accordance with federal regulations, which stipulate that FSEOG be awarded to students with the greatest financial eligibility, usually Pell Grant recipients.

**Academic Competitiveness Grant:** A federal grant offered to Federal Pell Grant recipients who meet certain academic and other eligibility criteria. Grant awards up to \$750 are offered for the first academic year of a student's program of study, and awards up to \$1,300 are offered for the second academic year of a student's program of study.

**National SMART (Science and Mathematics Access to Retain Talent) Grant:** A federal grant offered to Federal Pell Grant recipients who meet certain academic and

other eligibility criteria. Grant awards up to \$4,000 are offered for each of the third and fourth academic years of undergraduate study.

**State Scholarship/Grant:** A grant from a student's state of residence. Any amount indicated on an initial Financial Aid Award notification is estimated on the basis of information reported on the Free Application for Federal Student Aid (FAFSA) or CSS/Financial Aid PROFILE. These funds are not guaranteed, and the student is responsible for completing all state application process requirements.

**Federal Perkins Loan:** A student loan, which must be repaid. The fund, initially created by federal allocation, continues with annual contributions from the University and repayments from prior borrowers. Federal regulations require that the Perkins Loan be awarded to students with exceptional financial eligibility. There are no interest charges while a student is enrolled at least half time. Interest of five (5) percent begins to accrue nine (9) months after a student ceases half-time enrollment. *All Master Promissory Note requirements must be met before a Perkins Loan can be credited to your account.* Loans will be canceled if the completed Master Promissory Note is not submitted promptly.

**Federal Direct Stafford Loan (Subsidized):** A need-based student loan, which must be repaid. The maximum annual loan is \$3,500 for freshmen; \$4,500 for sophomores; and \$5,500 for juniors and seniors. The cumulative undergraduate maximum loan limit is \$31,000, of which no more than \$23,000 may be subsidized. The Subsidized Direct Stafford Loan interest rate is fixed at 5.6 percent for the life of the loan. Repayment begins six (6) months after a student ceases to be enrolled at least half time. The amount of your loan disbursement may be reduced by an origination fee. For information about current origination fees and up-front rebates, go to [www.bu.edu/finaid](http://www.bu.edu/finaid) and follow the links to "Direct Stafford Loan Terms."

**Federal Direct Stafford Loan (Unsubsidized):** A loan, which must be repaid, available to students who do not qualify for subsidized loans on the basis of financial eligibility. Eligibility is the difference between the cost of education and total financial aid (including any subsidized

loan) up to the annual maximum. The annual base amount allowable (for both subsidized and unsubsidized programs, singularly or combined) is as noted above. However, most undergraduates are eligible for an additional \$2,000 of unsubsidized loan beyond those annual base amounts. For more information about the \$2,000 additional Unsubsidized Stafford Loan, go to [www.bu.edu/finaid](http://www.bu.edu/finaid) and follow the links to "Direct Stafford Loan Terms." The Unsubsidized Direct Stafford Loan interest rate is fixed at 6.8 percent for the life of the loan. Interest is charged during all periods of enrollment and starts to accrue immediately, although it may be capitalized (added to the principal) and paid during the repayment period.

**A Master Promissory Note** for both subsidized and unsubsidized loans must be completed promptly to ensure receipt of funds by the beginning of the semester. First-time borrowers must also fulfill the **entrance counseling** requirement. Both of these requirements may be completed online at [www.bu.edu/finaid](http://www.bu.edu/finaid). Entering students are expected to complete both requirements during the summer, before they arrive on campus in September.

**Tuition Remission:** At Boston University, tuition remission may cover up to 100 percent of tuition for eight (8) semesters in a degree program for dependent children of eligible regular, full-time employees who have an assignment of at least a nine-month duration. An employee's spouse, and employees who are students themselves, may also receive tuition remission benefits. Amounts are not guaranteed and students should advise BU Financial Assistance if the actual benefit amount approved by BU Human Resources will differ from that stated on the Financial Aid Award notification. The employee must apply for this benefit prior to the beginning of each semester. Application forms are available at BU Human Resources and online at [www.bu.edu/hr](http://www.bu.edu/hr). If you indicated on your financial aid application that you expect to receive tuition benefits through Boston University or through another institution, *our estimate of those benefits, based on the information you report to us*, may be included on the enclosed award notification.

## How to Maintain Your Eligibility

*Terms and conditions of awards are subject to change in subsequent years.*

- 1. Maintain satisfactory academic progress.** To be eligible for renewal of any financial aid, you must complete at least 12 credits in each semester of the prior academic year. To be eligible for *federal and state funds*, students must meet the following grade point average (GPA) requirements: after completion of one academic year, a minimum GPA of 1.70; after completion of two years, a *cumulative* GPA of at least 2.00. Enrollment during summer terms or at other institutions, and courses not completed by June 1, 2009 are not considered in these determinations.

Awards are usually offered for the full academic year, and academic progress is reviewed at the end of each academic year. However, spring semester financial aid will be canceled, and spring semester loans (federal, state, and private) will not be certified if a full-time student fails to earn at least a 1.00 grade point index (GPI) or fails to successfully complete at least 8 credits during the fall semester. Students who withdraw during the fall semester after the beginning of classes will not

be eligible for federal/state financial aid until they have completed at least 12 credits, with a minimum GPA of 2.00, unless extenuating circumstances are documented. Eligibility for federal funds is limited to six (6) years of full-time undergraduate enrollment.

- 2. Apply for financial aid every year.** Application materials for the 2010/2011 academic year will be available in December 2009. Renewal of financial aid is contingent upon your meeting all eligibility criteria. The type and amount of future aid will depend on your calculated financial eligibility and available funds. Academic requirements for renewal of *federal and state funds* are stated above. However, priority for those applying to be **first-time University grant recipients** will be based on the availability of funds, the strength of your academic record, and residence in University housing. A minimum annual GPA of 2.50 for the prior academic year and a minimum of 12 successfully completed credits each semester of the prior academic year are required for first-time University grants.
- 3. Fulfill your financial obligation to the University.** Future aid applications will *not* be considered if you owe a balance. Thus, you must promptly pay any remaining balance owed.

## What If I Withdraw or Take a Leave of Absence from the University?

Students who withdraw or take a leave of absence before the first day of classes are eligible to receive full credit for tuition and fees, excluding nonrefundable deposits and the application fee. Students who withdraw or take a leave of absence on or after the first day of classes will have their charges adjusted based on BU's standard refund schedule. Notification of withdrawal and requests for a leave of absence should be made in writing to the *University Service Center, 881 Commonwealth Avenue, Boston, MA 02215, 617-358-1818, fax: 617-358-1819, www.bu.edu/usc.*

Federal aid funds will be adjusted according to federal regulations, which stipulate that students who withdraw or take a leave of absence before 60 percent of the semester has expired retain aid in proportion to the percentage of the semester for which they were enrolled. The family is expected to pay any remaining balance, since the family has the primary responsibility for paying educational costs.

## Study Abroad Programs

Only federal grants and loans, state grants, and credit-based loans may be used for study abroad programs. If the student expense budget allowance for your study abroad program is lower than the budget for the Charles River Campus, your financial aid may be adjusted.

## Summer Enrollment

If you meet other eligibility criteria, Federal Work-Study, Federal Grants, Direct Stafford Loans, and credit-based loans may be used for summer enrollments at the Charles River Campus.

## Income Verification

Documentation to verify family income may be required to finalize your award and credit funds to your student account.