

## Interpreting Your Financial Aid Offer and Frequently Asked Questions

Here is an example of the body of a financial aid offer. The numbered list below corresponds to the numbered areas of the document.

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OFFERS	FALL 2019	SPRING 2020	TOTAL OFFERS
Estimate 21st Century Grant	\$3,006.00	\$3,005.00	\$6,011.00
Federal Pell Grant	\$1,523.00	\$1,522.00	\$3,045.00
Fed Direct Sub Loan	\$1,750.00	\$1,750.00	\$3,500.00
Fed Direct Unsub Loan	\$1,000.00	\$1,000.00	\$2,000.00
<i>Totals:</i>	\$7,279.00	\$7,277.00	\$14,556.00

You are also offered a **federal parent PLUS** loan of \$8,628. This requires a separate application at [studentloans.gov](http://studentloans.gov) and, based on a credit check, approval from the U.S. Department of Education. If your parent's PLUS loan application is denied, you qualify for up to \$4,000 more in an unsubsidized student loan.

These offers are based on your FAFSA estimated family contribution (EFC) of 3,139 and your estimated cost of attendance shown in the table below. The cost of attendance is an estimate of total expenses you may have. It is not your bill. Your actual costs will be calculated and posted as a bill on your MyVU account.

**Annual Estimated Cost of Attendance**  
*This is NOT a bill. Based on 15 credits each semester.*

Tuition and Fees	\$6,110
Room and Board	\$10,490
Books	\$1,298
Transportation	\$1,946
Personal Expenses	\$1,104
Loan Fees	\$64
Program Expenses	\$2,172
<b>Cost of Attendance</b>	<b>\$23,184</b>

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1. **Grants** do not have to be paid back. You don't have to do anything to accept them. We assume you want "free" money.
2. These **loans** are offered to you, but you have no obligation to accept them. Sub and Unsub loans are student loans. Parent PLUS is a loan offered to parents. We will send students an e-mail, usually in early July, when they can accept their student loans along with directions for how to do so. Federal regulations do not allow us to pay student loans to the student accounts of first-time borrowers until 30 days into the semester. We do count the amount a new borrower is expected to get toward the payment plan amount and toward book charges.
  - a. Sub = **Subsidized**; no interest accrues while the student is enrolled at least half time.
  - b. Unsub = **Unsubsidized**; interest starts accruing as soon as the loan is disbursed to the student's account. You can arrange to pay the interest along the way rather than let it accrue. (Parents, this is one way to make the unsubsidized loan act like a subsidized loan from the student's point of view.)
  - c. If students accept either or both student loans, they get them as long as they complete online entrance counseling and a master promissory note and meet academic standards.
  - d. Parents' applications for a **PLUS** loan are either approved or denied by the U. S. Dept. of Education on the basis of a credit check. If a parent's application for a PLUS loan is denied, the student qualifies for up to an additional \$4,000 in unsubsidized loan.
3. Estimated family contribution (**EFC**) is the number value that results from the complicated formula the FAFSA processing center applies to the financial and family information you provide on your FAFSA. The EFC does not mean this is the amount you could be expected to pay out of pocket. Rather, it helps determine financial aid need, defined by the U. S. Dept. of Education as *cost of attendance minus EFC (and other resources like scholarships)*.

4. Annual estimated **cost of attendance** (sometimes called “financial aid budget”) is often confusing to first-time students and parents. As we state above, *this is NOT what your bill will be*. Rather, it is our best guess for what it might cost students to cover all these areas of expenses that they have. Here is how we arrive at the total cost of attendance.
- a. **Tuition and Fees:** This is the estimated amount in 2019-20 for an in-state or Illinois student for 30 credits of course work (15 credits each semester) along with the student activity fee for each semester. If you are a distance education student or if you are from out of state, this will be higher. Your *bill* for tuition and fees will be higher than shown on the offer if you enroll in more than 15 credits each semester and lower if you enroll in fewer than 15 credits each semester. We do not factor in course fees that might attach to some courses, except for program expenses as explained in **g** below.
  - b. **Room and Board:** This is the billing amount for both semesters for a student who lives in either Godare, Harrison, Morris, or Vigo Hall with the 19-meal food plan. Rates for Vanderburgh, Ebner, and Clark Halls are higher, but we don’t increase the cost of attendance to reflect the higher amounts because where students live is a choice they make. We allow the same amount for students who live off campus but not with parents or relatives. We allow a much lower amount for students who live with their parents.
  - c. **Books:** This is our guess about what it might cost students to buy their books and required supplies for both semesters in the Old Post Bookstore. This is a reasonable average amount. One student’s schedule of courses might require more; another student’s schedule might require less. Some can get by with less by renting books or buying used books. Even if you choose to buy your books elsewhere, this is the amount we allow for this component of estimated cost of attendance. An amount for books will appear on your bill only if you have excess financial aid and are able to charge the books to your student account.
  - d. **Loan fees:** This amount provides some cushion for the origination fees that are taken out of the amounts that borrowers of federal student and parent loans receive. For example, in 2018-19 a \$1,750 semester student loan provided \$1,732 to the student account. The \$18.00 was an origination fee kept by the U.S. Dept. of Education. The amount of the origination fee is determined by congressional action.
  - e. **Personal expenses:** Because students who go to school will always have some incidental expenses—toothpaste, deodorant, laundry soap, an occasional meal out—schools are allowed to include a reasonable amount for this component of cost of attendance. Of course, this is our determination of a reasonable amount, and it will not appear on your bill.
  - f. **Transportation:** Students need to get to and from school whether they are commuting several times a week while living at home or driving farther away for breaks and occasional weekends. Again, this is a reasonable estimate. Of course, it does not appear on the bill either, but schools are allowed to include a reasonable amount for this category of expenses that students have because they are going to college.
  - g. Some students will also have a component for **Program Expenses**. We have to treat all students similarly unless there are documented reasons not to. So, for example, automotive technology majors have to buy a lot of tools, art majors have to buy art supplies, and music majors have to pay for individual lessons. Various categories of majors get varying amounts for program expenses or supplies depending on what is usually required of them by way of major course fees and equipment. *This does not mean we can find the financial aid to pay for the increased expenses.*

**Total cost of attendance** is the upper limit of financial aid we can provide a student if we can find that much. Students who buy a **computer** for school use can ask us to add an amount for that component to their cost of attendance by providing us with a receipt for the computer purchase. Students who pay for **child care** while they attend classes can ask us to add an amount

for that component to their cost of attendance by providing a statement from their child care provider. Again, *increasing the cost of attendance does not guarantee that a student can find the financial aid to meet the higher amount.*

Notice in this example of a financial aid offer that the total amount of offers equals the total cost of attendance. This is because for dependent students we can offer a parent PLUS loan to match the difference between the total other aid the student has and the cost of attendance. We list it separately, however, because there is no guarantee that a parent's application for the PLUS loan will be approved. Again, there is no obligation to take any of these loans. Some families have enough resources to pay what is left over on the bill after any grants and scholarships are applied to the student's account. To repeat, **a student's bill is going to be LESS than the cost of attendance**, but the cost of attendance includes the cost of expenses that students might have because they are attending college.

## Frequently Asked Questions

1. **Why didn't I receive any grants?** Eligibility for federal Pell grants and state O'Bannon grants is determined first by the EFC.
  - (i) For 2019-2020 anyone with an EFC of 5576 or higher does not qualify for a Pell grant. The maximum Pell grant for a student with a 0 EFC is \$6,195 for the year. To receive the maximum amount each semester, a student must be enrolled full time (at least 12 credits) each semester. A student who has less than full-time enrollment in the fall or spring might have some Pell grant left over for use during summer sessions.
  - (ii) For 2019-20 anyone with an EFC over 3000 does not qualify for a state O'Bannon grant at Vincennes University. To receive any amount of state grant or 21<sup>st</sup> Century Scholarship, a student must be enrolled in at least 12 credits. However, to receive the full eligible amount, a student must be enrolled in at least 15 credits. Also, to be eligible for a full renewal amount the following year, a student has to pass at least 30 credits each year.
2. **I know I am eligible for a state grant or a 21<sup>st</sup> Century Scholars award. Why isn't that shown on my financial aid offer?** There are four possible explanations for this.
  - (i) Your state grant eligibility had not yet been transmitted to us from the state Student Financial Aid (SFA) office by the time we printed the offer. We receive a file from SFA each week. If we add a state grant after your offer has been printed, we send an e-mail to your MyVU e-mail address to notify you that a change has been made.
  - (ii) You have what the state Student Financial Aid office calls an edit—some kind of omission or mistake on your FAFSA that you have to correct before your state grant eligibility can be known. If you included a valid e-mail account on your FAFSA, SFA will send you an e-mail about the edit that you need to fix. You can also find this on your ScholarTrack account at <https://scholartrack.che.in.gov>.
  - (iii) You filed your FAFSA after the April 15 filing deadline for state grant eligibility. In this case you will not receive a state grant or Scholar award for 2019-2020.
  - (iv) You are a second year returning or transfer student who did not complete at least 24 credits (for O'Bannon renewal) or 30 credits (for 21<sup>st</sup> Century Scholar renewal). These are the minimum completion requirements for second year renewal. (Only 12 credits of developmental coursework can be counted toward the completion requirements.)
3. **I have been told that I have been awarded a scholarship. Why isn't that shown on my financial aid offer?**
  - (i) If the scholarship is from the Vincennes University Foundation or from a university college or office, we had not been informed of the scholarship before we printed the offer.

(ii) If the scholarship is from an outside organization, we had not yet received the check or the notification before we printed the financial aid offer.

In either case, when we get the information and change your financial aid offer to reflect the scholarship, we will send an e-mail to your MyVU e-mail that a change has been made.

4. **If the subsidized loan is better because it doesn't accrue interest while I'm in school, why wasn't I offered that loan instead of only the unsubsidized or parent PLUS loans?** Eligibility for a subsidized loan depends on the technical definition of "financial aid need." Need is determined by the formula *Cost of Attendance* minus *EFC* minus *other aid*. Unsubsidized student loans and parent PLUS loans are not need-based.
  - See how this works using the sample offer above.  
 $\$23,184 - 3139 \text{ (EFC)} - \$3045 \text{ (Pell grant)} - \$6011 \text{ (21st Century)} = \$10,989$  as need. Since this allows room for the \$3,500 subsidized loan, this student is eligible for the subsidized loan.
  - Now see how this works with a much higher EFC.  
 $\$23,184 - 19870 \text{ (EFC)} = \$3,314$  as financial aid need.  
Assuming no other grants or scholarships, this student is eligible for \$3,314 in a subsidized loan. Since the basic combined annual limit for subsidized and unsubsidized loans for a first year student is \$5,500, we would offer \$3,314 in the subsidized loan and \$2,186 in the unsubsidized loan. (Again, no obligation to take the loans.)
  - Again, with an even higher EFC.  
 $\$23,184 - 25000 \text{ (EFC)} = \text{negative } \$1186$  as need.  
Assuming no other grants or scholarships, we would offer this student the \$5,500 annual limit as all unsubsidized loan since there is no positive financial aid need.
5. **I need to accept my student loans. When and how do I do that?** *When:* Usually sometime after the 4<sup>th</sup> of July. We will send an e-mail to all students who have been offered student loans when the MyVU system for accepting them is open. *How:* Go to <http://www.vinu.edu/web/financial-services/stafford-loans> and follow the directions. First-time borrowers also have to complete Entrance Counseling and a Master Promissory Note at <https://studentloans.gov>.
6. **I am a parent, and I want to apply for the parent PLUS loan. When and how do I do that?** *When:* Although credit approvals or denials are valid for 180 days, we recommend waiting until you have your student's first bill so you can tell better whether you want to apply for the PLUS loan and how much you might want. *How:* Go to <http://www.vinu.edu/web/financial-services/parent-plus-loans> and follow the directions.
7. **If I (either student or parent) don't accept the loans now, do I lose them?** No, the loans would still be available later in the year. Even if you declined them for now, later you could ask in writing or complete a loan change form to request the loans. We would put student loans back in offered status for the student to accept (as in #5 above) and parent PLUS loans back in offered status for the parent to apply for (as in #6).

**Other questions about financial aid not directly related to the financial aid offer?** Go to the document on our Web site under Financial Aid FAQs: "Financial Aid: Things you should know."