

## **Student Financial Aid Information**

### **Networks Barber College must make available to prospective and enrolled students information about:**

- All need-based and non-need-based federal, state, local, private, and institutional student financial assistance programs available to students who enroll at the school (<http://www.networksbarbercollege.com/consumer-information/fed-assistance/>)
- Terms and conditions of the Title IV, HEA loans (<https://studentaid.ed.gov/types/loans>)
- Criteria for selecting recipients and for determining award amounts (<https://studentaid.ed.gov/eligibility>)
- Eligibility requirements and procedures for applying for aid (<https://studentaid.ed.gov/fafsa>)
- Methods and frequency of disbursements of aid (<https://studentaid.ed.gov/fafsa/next-steps/receive-aid>)
- Terms of any loan received as part of financial aid package, sample loan repayment schedule, and the necessity for repaying loans (<https://studentaid.ed.gov/repay-loans>)
- Rights and Responsibilities of students receiving Title IV, HEA student Financial Aid, including criteria for continued student eligibility and standards for Satisfactory Academic Progress (see below)

### **Rights and Responsibilities of Financial Aid Recipients**

*Students receiving federal student aid have certain legal rights. Students' rights include the following:*

- The student has the right to know what financial aid programs are available at Networks Barber College.
- The student has the right to receive a listing from the financial aid office of the agency in each state which may be contacted regarding grants available to residents of that state.
- The student has the right to know the deadlines for submitting applications for each of the financial aid programs available.
- The student has the right to know how financial aid will be distributed, how decisions on that distribution are made, and the basis for these decisions.
- The student has the right to know how his/her financial need was determined.
- The student has the right to know what resources (such as parental contribution, other financial aid, assets, etc.) were considered in the calculation of his/her financial need.
- The student has the right to know how much of his/her financial need, as determined by Networks Barber College, has been met.
- The student has the right to request an explanation of the various awards in his/her student aid package.
- The student has the right to know Networks Barber College's refund policy.
- The student has the right to know what portion of the financial aid he/she receives must be repaid, and what portion is grant (free) aid. If the aid is a loan, the student has the right to know what the interest rate is, the total amount that must be repaid, fees during repayment, the payback procedures, the length of time he/she has to repay the loan, when the repayment is to begin, and available options for consolidation.

- The student has the right to know how Networks Barber College determines whether he/she is making satisfactory academic progress, and the results of not meeting these standards.
- If the student is offered a work-study job, he/she has the right to know the required work hours, the job duties, the rate of pay, and how and when paychecks are received.
- If the student believes a mistake has been made in determining his/her financial aid eligibility, he/she has the right to ask that his/her financial aid application be reconsidered.
- If the student has a loan and the lender transfers (e.g. sells) the loan and the right to receive payments, the student must be sent a notification telling him/her to whom he/she must now make payments.
- Lenders must provide borrowers with a copy of the complete promissory note.
- The student has the right to prepay a loan without penalty. This means that he/she may at any time pay in full the loan balance and any interest due without being charged a penalty by the lender for early payment.
- If the student cannot meet a loan repayment schedule, he/she may request forbearance from the lender under which the payments may be reduced for a specific period of time.
- In borrowing money, the student assumes the responsibility for repaying the loan. If circumstances arise which make it difficult to meet this responsibility, he/she should contact the lender.

Please visit [www.StudentAid.gov](http://www.StudentAid.gov) for more information

## How to Apply for Financial Aid

### **Step 1: Go to [www.FAFSA.ed.gov](http://www.FAFSA.ed.gov) to complete your Free Application for Federal Student Aid.**

Our Federal School Code is 042244 and must be added to your application in order to be considered for receiving aid at our school.

**Step 2: Make any necessary corrections to the Student Aid Report (SAR).** Once you have filed your FAFSA, your information will be processed and a Student Aid Report (SAR) will be generated – typically within one week of your online FAFSA having been submitted. The SAR is a summary of the information you entered on the FAFSA; be sure to review the SAR for any errors. You can make any necessary corrections online via the FAFSA website. If no corrections are needed, keep a printed copy of your SAR for reference.

**Step 3: Submit any additional documentation requested.** Once you have filed your FAFSA, you will be notified if you are selected for a process called “Verification.” For more information on Verification, please see “Title IV Verification Policy”.

**Step 4: Review your Financial Aid Award Notice.** During the first initial appointment with the Financial Aid Advisor, you will be provided a Financial Aid Award Letter. This letter provides the estimated amount of financial aid you are eligible for. The financial aid advisor will meet with you and discuss any questionable items from for FAFSA.

**Step 5: Accept/Decline your awards.** A student must sign their award letter verifying the amount of financial aid they wish to and/or decline.

## **Documents needed to complete FAFSA**

To correctly fill out the application, you may need certain records. The most important record is your base year (usually the prior year) tax return. You will need your tax return, your parents' tax return (if you are dependent), and your spouse's tax return (if you are married). You may also need copies of your W-2's, mortgage information, social security benefit statements, and other agency benefit records.

## **IRS Retrieval Tool**

The IRS Data Retrieval Tool is available for online FAFSA submittals and is accessible through the FAFSA web site [www.fafsa.gov](http://www.fafsa.gov). The retrieval tool allows FAFSA applicants and parents with the ability to transfer their income information from the IRS to the FAFSA. Therefore, the student and/or parents may not need to collect tax records, but can automatically transfer their tax information to their FAFSA. Most students and parents can use the data retrieval tool. However those that are ineligible to use the IRS Retrieval tool are students and parents who are married but filed separate tax returns, those that filed within 2 weeks of filling out the FAFSA, those filing as Head of Household, filing an amended return; and if you are filing a Puerto Rican or foreign returns.

## **Title IV Verification Policy**

If a student's Free Application for Federal Student Aid (FAFSA) is selected for review in a process called verification, the school is required to collect certain documents. The documents will be used to support and verify data submitted on the FAFSA. If a student/parent was to use the IRS Direct Retrieval Tool, that income information is considered automatically verified. Otherwise, additional documents must be collected if income verification is required. Once the student has submitted the required documentation to the Financial Aid department, the financial aid officer will advise the student of appropriate corrections needed to be made to their FAFSA. A student's FAFSA can be selected based on:

- random selection by the Department of Education
- random selection by Networks Barber College
- irregularities of data

Networks Barber College may require the following items from an applicant selected for verification.

- Dependent or Independent Verification Worksheet
- Parent's tax transcript\*
- Student's tax transcript\*
- Spouse tax transcript\*
- W-2 forms (if separation of income is necessary)
- Other information may be required, based on student's FAFSA

The IRS has made readily available tax filers official tax return transcripts by visiting [www.irs.gov/Individuals/Get-Transcript](http://www.irs.gov/Individuals/Get-Transcript). Requests can be made for tax return transcripts to be requested immediately online or within 5 to 10 calendar days by mail. The Department of Education may request for applicants to provide Networks Barber College with a copy of their tax return transcripts for income verification when reviewing the students completed FAFSA.

The above link will provide applicants with quick and easy access in obtaining their tax return transcripts. Be sure to choose “tax return”.

The screenshot shows the IRS website's 'Get Transcript' page. The browser address bar displays 'http://www.irs.gov/Individuals/Get-Transcript'. The page features the IRS logo, a search bar, and a navigation menu with categories like 'Filing', 'Payments', 'Refunds', 'Credits & Deductions', 'News & Events', 'Forms & Pubs', 'Help & Resources', and 'for Tax Pros'. On the left, there are links for 'Employees', 'Self-Employed', 'International Taxpayers', 'Military', 'Parents', 'Seniors & Retirees', and 'Students'. Below these are 'Individuals Topics' including 'Get Transcript', 'Payment Plans', 'Where's My Amended Return?', 'Appeal a Tax Dispute', 'Taxpayer Rights', and 'Individuals Home'. The main content area is titled 'Get Transcript' and includes a description: 'Get a record of your past tax returns, also referred to as transcripts. IRS transcripts are often used to validate income and tax filing status for mortgage applications, student and small business loan applications, and during tax preparation. You can download and print your transcript immediately, or request the transcript be mailed to your address on record.' Two main options are presented: 'Get Transcript ONLINE' and 'Get Transcript by MAIL'. The 'ONLINE' option includes bullet points: 'View and print your transcript immediately.', 'Choose among [Tax Return](#), [Tax Account](#), [Record of Account](#), or [Wage and Income](#) transcripts or a [Verification of Nonfiling Letter](#).', and 'Need help? [More information about Get Transcript Online](#).' The 'MAIL' option includes: 'Transcripts arrive in 5 to 10 calendar days.', 'Choose from either a [Tax Return](#) or [Tax Account](#).', and 'Transcript by Mail is available [en Español](#).' At the bottom right, it says 'Page Last Reviewed or Updated: 06-Feb-2014'. The footer contains links for 'Resolve an Issue', 'Learn About IRS', 'Work at IRS', 'Get Important Info', and 'Visit Other Sites'.

## Entrance Counseling

If you decide to take out a Federal Direct Loan as a part of your educational investment, managing the debt you incur is a major responsibility. To ensure that you understand this responsibility and the obligation you are assuming, the Federal Government requires you to participate in loan counseling, called “Entrance Counseling.” You will conduct your Entrance Counseling session online at [www.studentloans.gov](http://www.studentloans.gov) with the financial aid officer. You must have your student FAFSA PIN to complete the process. Entrance counseling is required before your loan can be disbursed.

## Exit Counseling

All student loan borrowers are required to complete Exit Counseling regarding their student loans. A student must complete Exit Counseling when they graduate, drop below half-time enrollment, or withdraw from Networks Barber College. The exit counseling provides information regarding the rights and responsibilities of the student. It is quite important that students who have borrowed student loans know what to do if there are problems with making payments and what will happen if payments are not made on the student loans. Specific elements that will be included in the Exit Counseling are as follows:

- the terms and conditions of the loan
- your final loan amount and an example or actual monthly payments available repayment plans
- deferment and forbearance options
- loan forgiveness and cancellation provisions
- the ability to accelerate repayment without a prepayment penalty
- the pros and cons of consolidation, such as the impact on minimum monthly payments, loan terms and loan benefits (e.g., the loss of the grace period and forgiveness options)
- the consequences of default, including ruined credit, litigation, referral to collection agency, wage garnishment, offset of income tax refunds, the deduction of collection charges of up to 25% from payments, nonrenewal of professional licenses, and the loss of deferment and forbearance options
- availability of tax benefits, such as the student loan interest deduction
- the following information will be collected during this time: Name, Address, Social Security Number, References, Driver's license number and state, Expected permanent address, Name and address of next-of-kin.

Also, understanding the payment options, interest rates and other terms of the student loans will allow students to maintain their loans in good standing for future credit purposes. You can complete the exit counseling at [www.studentloans.gov](http://www.studentloans.gov) with the financial aid officer.

## Student General Student Eligibility Requirements for Financial Aid

- Not been convicted of a drug-related offense that occurred while enrolled in school and receiving Title IV aid.
- Be a U.S. citizen or an eligible noncitizen
- Have a valid Social Security number
- Be registered with Selective Service, if you're a male (you must register between the ages of 18 and 25)
- Be enrolled or accepted for enrollment as a regular student in an eligible degree or certificate program
- Be enrolled at least half-time to be eligible for Direct Loan Program funds
- Maintain satisfactory academic progress
- Have a high school diploma or a recognized equivalent such as a GED certificate
- Not be in default on a Title IV loan, not owe an overpayment on a Title IV grant or loan, not have borrowed in excess of annual or aggregate loan limits
- Verification must have been completed, if required
- Is not incarcerated (loans) nor incarcerated in a Federal or state penal institution

## **Drug Law Violations for Financial Aid Students**

A federal or state drug conviction can disqualify a student from federal financial aid funds. Convictions apply if they were for an offense that occurred during a period of enrollment for which the student was receiving Title IV federal financial aid. The Higher Education Opportunity Act (HEOA) established the requirement for schools to provide each student who becomes ineligible for Title IV aid due to a drug conviction a clear and conspicuous written notice of his loss of eligibility and the methods whereby he/she can become eligible again. At the time of enrollment, all financial aid students will receive a written notice with information associated with the drug-related offenses and ways to regain eligibility.

## **Financial Aid Options**

**Federal Pell Grants** are awarded to students based on financial need. Unlike a loan, it does not have to be repaid. Generally, Pell Grants are awarded only to undergraduate students who have not earned a Bachelor's or professional degree. For many students, Pell Grants provide a foundation of financial aid to which other aid may be added.

**Direct Subsidized Loans** are awarded on the basis of financial need. You will not be charged interest while you are enrolled as a fulltime student. The federal government "subsidizes" the interest during this period. Subsidized Federal Direct Loans carry a fixed interest rate. Repayment on subsidized loans begins six months after graduation or withdrawal.

**Direct Unsubsidized Loans** are not awarded on the basis of need. You will be charged interest from the time the loan is disbursed until it is paid in full. If you allow the interest to accumulate, it will be capitalized – that is, the interest will be added to the principal amount of your loan and additional interest will be based upon the higher amount. Unsubsidized Federal Direct Loans carry a fixed interest rate. Repayment on unsubsidized loans begins six months after graduation or withdrawal.

## **PELL Disbursements and Books and Supplies**

Students who are PELL eligible may request to delay payment on books and fees until the first PELL disbursement is made at 0 hours. Once the first payment is received, the money will be allocated accordingly.

## **Expected Family Contribution (EFC)**

The Department of Education uses a standard formula, revised and approved every year by Congress, to evaluate the information you report when you apply for a Pell Grant. The formula produces an Expected Family Contribution (EFC). Your Student Aid Report (SAR) contains this number and will tell you whether you are eligible for a Federal Pell Grant. Eligibility is determined in accordance with information provided by student and/or parents if student is dependent. The combination of what parents can contribute and what the student can contribute is called the expected family contribution (EFC). School officials do NOT play a role in making a student eligible for federal funds. Eligibility is determined in accordance with information provided by student and/or parents if student is dependent. The EFC does not represent the amount of money you will need to pay the school. It determines the aid programs and amount of aid for which a student is eligible.

## **How Aid is Determined**

To determine the amount of aid you will receive, the amount of money that your family can be expected to contribute towards education needs to be estimated. It is necessary to request confidential financial facts about your family's income and assets, the size of your family, the number of persons attending postsecondary education, and any unusual circumstances or expenses in order to estimate this amount of family contribution. This "needs analysis" is conducted through the completion of the Free Application for Federal Student Aid (FAFSA). Eligibility is determined in accordance with information provided by student and/or parents if student is dependent. The goal of financial aid programs is to bridge the gap between the amount you and your family are reasonably able to contribute and your educational expenses. It is very important to realize that aid is available to make education accessible, not to make it free of cost to you or your family. You do not have to be from a low-income family to qualify for financial aid, but you do have to have "financial need". Your "need" is the difference between what it costs to attend a particular school and what you and your family can contribute.

*Here's how it works:* COST OF GOING TO SCHOOL (Tuition, fees, books, supplies, room and board, personal expenses, transportation) (-) YOUR EXPECTED FAMILY CONTRIBUTION (The amount that you and your parents should be able to contribute) (=) YOUR FINANCIAL NEED.

It is important to note that your aid is determined by the concrete values listed above. The aid offered at this institution is not calculated by any other means. You are not in competition with any other student for funds. Your financial situation determines your financial assistance.

## **Methods and Frequency of Aid Disbursement**

A student's financial aid disbursement will be released directly to Networks Barber College and will be credited to your school account to pay (tuition and fees and other authorized charges). Financial aid is disbursed in four increments for a 1500 hour clock program. Disbursements are made once the student reaches the following clock hours:

0 hours, 451 hours, 901 hours, and 1201 hours.

All Federal financial aid funds will be drawn down in payment periods, which are linked to the student's progression through his/her course. Four hundred fifty (450) hours represents one payment period for all courses at or above 900 hours in length. For courses greater than 900 hours (Barber Stylist), if the remaining portion exceeds 450 hours (one pay period), funds will be disbursed in two equal payments.

The number of financial aid disbursements a student receives is based on the course length, start date, and attendance. Award years run from July 1 to June 30. Therefore, a student's attendance -must cross over July 1st in order to cross over into the next award year. If there is a break in attendance, the remaining proceeds are not received by the college.

## Sample Loan Repayment Schedules

Subsidized loan fixed at 3.86% interest

Loan Amount	# of Payments	Monthly Payment	Total Repaid
\$3,500	60	\$62	\$3,811
\$7,500	120	\$74	\$8,858
\$12,500	120	\$123	\$14,763
\$20,500	120	\$202	\$24,211

Unsubsidized fixed at 3.86% interest

Loan Amount	# of Payments	Monthly Payment	Total Repaid
\$3,500	90	\$50	\$4,408
\$8,000	120	\$92	\$11,048
\$13,500	120	\$155	\$18,643
\$19,000	120	\$219	\$26,238

## Consequences of Loan Default

1. You will be required to immediately repay the entire unpaid amount of your loan.
2. You may be sued, have all or part of your federal and state tax refunds and other federal or state payments taken, and/or garnish your wages so that your employer is required to send part of your salary to pay off your loan.
3. You may be required to pay reasonable collection fees and costs, plus court costs and attorney fees.
4. You may be denied a professional license.
5. You will lose eligibility for other federal student aid and assistance under most federal benefit programs.
6. You will lose eligibility for loan deferments.
7. Your default will be given to national consumer reporting agencies (credit bureaus).

## Loan Deferment

If you won't be able to repay your loan for a while for, for instance, because you are going back to school or have a very low income, a deferment lets you postpone paying your loan. The conditions for deferment are listed on your Master Promissory Note (MPN).

If you have an unsubsidized loan, you will be responsible for paying the interest that accrues during a period of deferment. You can continue to make interest payments during the deferment period, or you can ask your lender to capitalize the interest.

It is important to note that you cannot be granted a deferment on a loan that is already in default.

## **NSLDS (National Student Loan Data System)**

All federal student loans obtained by a student are reported to and tracked on the National Student Loan Data System (NSLDS). NSLDS loan records are accessible to all authorized NSLDS users, including schools, student loan guaranty agencies, lenders, federal agencies, and other authorized users. Alternative and private education loan information is not reported to NSLDS. Student loan borrowers may view their federal loan information at [NSLDS.ed.gov](https://www.nsls.ed.gov). Borrowers access the system using their federal PIN. Students can also access prior federal grant information at [NSLDS.ed.gov](https://www.nsls.ed.gov).