

# FINANCIAL AID

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Office Hours: Monday - Thursday, 8:00 a.m. - 4:30 p.m.

The TU Financial Aid Office coordinates the application process for scholarships, work-study funds, all student loans and most student grants. These aid programs are funded by the U.S. Department of Education, the State of Maryland, Towson University or private sources.

## Federal Aid Eligibility Requirements

- Admission to a degree or graduate certificate program.
- U.S. citizen or eligible non-citizen status.
- Valid Social Security number.
- Applicant must not be in default on a student loan or owe a repayment of a Federal Title IV grant.
- At least once per year, the Financial Aid Office must determine if students are meeting the requirements of the Financial Aid Satisfactory Academic Progress (SAP) Policy. Failure to meet these requirements can lead to loss of eligibility to receive aid. The Financial Aid SAP policy is available online.
- Federal Work-Study funds require financial need and funding is limited.

## Financial Need Formula

Most graduate student aid programs including federal loans and Federal TEACH Grants do not require financial need, but programs that do require need, such as the Federal Work-study program, use the following formula:

Cost of Education Budget

– Student Aid Index (SAI)

– Outside Resources (scholarships, tuition waivers, etc.)

= Financial Need

TU prepares standardized Cost of Attendance budgets that include direct university costs such as tuition, fees, and on-campus room and board charges, and allowances for indirect costs such as transportation, personal expenses, and off-campus room and board charges. The Student Aid Index (SAI) is calculated from your Free Application for Federal Student Aid (FAFSA) data based on a federal formula that considers factors such as income, certain assets, family size and number of family members in college.

## Application Procedures and Deadlines

### 1. Free Application for Federal Student Aid (FAFSA)

- You must submit a FAFSA to apply for all federal aid programs including loans, most state aid programs and some scholarships.
  - Apply online **every year**.
  - TU School Code: 002099.
  - First date to apply: October 1.
  - Aid period: Use each FAFSA to apply for aid for the following academic year (Fall-Spring-Summer).
- MHEC FAFSA Deadline

- To be considered for state aid programs from the Maryland Higher Education Commission (MHEC), you must submit your FAFSA by the deadlines listed on their website.

### 2. State Aid Programs

Maryland residents should also review these state aid programs from the Maryland Higher Education Commission (MHEC). Most MHEC aid programs require additional MHEC applications.

### 3. TU Scholarship Seeker

To apply for scholarships from TU departments and the TU Foundation, please visit the Scholarship Seeker.

### 4. Private Scholarships

To search for scholarships from private organizations, including businesses, foundations and civic organizations, visit Private Scholarships.

## Notification Process And Award Guide

After you have been offered aid, the Financial Aid Office will notify you by sending an email to your TU email account. The email will include instructions on how to view your aid offers online and will also include a link to Your Award Guide.

All aid recipients must read the Award Guide, which includes instructions on how to accept your aid and all the terms and requirements for each aid program.

## Direct Aid Programs

Funding for the Direct Federal Aid programs (Unsubsidized Direct Student Loans, Graduate PLUS Loans and the Federal TEACH Grant) is available to all students who meet the eligibility requirements but annual limits still apply. To apply, submit a FAFSA.

## Federal Direct Unsubsidized Loans

These loans do not require financial need but students must still submit a FAFSA. The maximum annual borrowing limit is \$20,500. The maximum aggregate Direct Student Loan limit is \$138,500. Students are responsible for all interest costs, including interest accrued during enrollment and throughout the grace period and repayment. Students can defer payments during enrollment periods by choosing to capitalize their interest but capitalization increases the loan principal and overall borrowing costs. All borrowers must also pay a loan origination fee, which is deducted from the loan disbursements. The interest rates are set annually in July. Current rates can be found online. To borrow new loans and to remain eligible for enrollment-based payment deferments on prior loans, borrowers must enroll at least half time for each term.

### Federal Graduate PLUS Loans

- These loans are only available to graduate students who have already borrowed their maximum annual Federal Direct Unsubsidized Loans (\$20,500).
- These loans require a credit check.
- They do not require financial need.
- The interest rate is set annually in July, and borrowers must also pay a loan origination fee, which is deducted from the loan disbursements. Current rates are available online.
- The maximum annual loan amount is your Cost of Attendance Budget minus all your other financial aid.
- While you are enrolled at least half time, you are eligible for an in-school deferment and can postpone payments until you graduate or

drop below half time. Repayment begins within 45 days after the in-school deferment ends.

- The federal loan processor also deducts an origination fee from your loan disbursements. For current origination fee rates, visit Graduate PLUS loans.
- For more details, visit the Federal Student Aid website.

## Federal TEACH Grants

This federal program provides up to \$4,000 per year to students who agree to serve as full-time teachers for at least four years in high-need subject areas at schools serving students from low-income families. If you do not complete the service obligation, all your TEACH Grant funds will be converted to a Federal Direct Unsubsidized student loan and you will be charged interest from the date the TEACH Grant funds were disbursed. This program does not require financial need. For more information, see TEACH Grants.

## Private/Alternative Loans

Some students choose to borrow alternative loans from private lenders. The Federal Direct Unsubsidized Loans usually offers better interest rates and other loan features than the Federal PLUS Loan and most private loans. When comparing the Federal PLUS Loan to private student loans, you should carefully compare the interest rates and the other PLUS Loan benefits. If you can find a private loan with an interest rate that is significantly lower, then you will have to weigh the benefits of that lower interest rate against the other PLUS Loan benefits and repayment options. For more information, see Private Loans.

## Financial Aid Disbursements

Generally, students receive one half of academic year financial aid funds each term. TU will credit aid toward term charges for tuition and fees and other direct TU charges.

Students should take the following steps to ensure that funds are available in time to pay term charges:

- Submit your FAFSA by February 1.
- Complete the admission requirements early.
- Register for classes at the earliest opportunity.

Whenever the amount of term aid exceeds charges to TU, students will receive a financial aid rebate to use for books and day-to-day indirect educational expenses.

The Student and University Billing Office can disburse rebates as early as 10 days before the start of the term. Students can ask the Student and University Billing Office to convert a portion of their credit balances to retail points on their TU OneCard for the purchase of books or for use at any campus food location.

Students who receive late aid offers may not receive rebates until at least three weeks after the creation of the credit balance. Students with revised aid offers may also experience rebate delays.

## Minimester Aid

The financial aid disbursement process bases eligibility for spring federal aid disbursements on students' total combined minimester and spring units. Example: You must enroll at least half time each term to receive federal loan disbursements for that term. To receive federal spring loans,

your combined minimester and spring term units must meet the half-time requirements. See the Financial Aid Award Guide for more details.

## Summer Aid

To request a loan for the summer, see Applying for Summer Aid. Your combined fall, spring and summer loans cannot exceed annual loan limits.

## Refund Policy

When a student completely withdraws from TU while receiving Federal Title IV student aid, the Financial Aid Office must determine what portion of the student's term aid (not including Federal Work-Study funds) will revert to the federal programs. The Financial Aid Office uses a statutory federal refund formula required by the U.S. Department of Education to determine what portion of aid paid to TU charges has been "earned" and what portion must be considered "unearned."

The percentage of assistance earned is equal to the percentage of the term completed as of the day the student withdraws. (If the withdrawal occurs after the 60 percent point, the percentage of aid earned is 100 percent.) The amount of aid not earned by the student is calculated by determining the complement of the percentage of assistance the student earned. That percentage is then applied to the total amount of federal aid assistance disbursed for the term.

If the student has received more assistance than the amount earned, TU or the student (or both) must return the unearned funds to the Federal Title IV programs.

TU returns the lesser of the unearned amount of Title IV assistance, or the institutional charges incurred for the term, multiplied by the unearned percentage of Title IV grant and loan assistance. (Institutional charges are limited to tuition, fees, and room and board, if the student paid these charges to TU.)

The student returns unearned Title IV assistance minus the amount TU returns. The U.S. Department of Education does not allow discretion on the part of TU for non-institutional costs. In most cases, when a student receives Title IV assistance greater than the amount of institutional charges and completely withdraws from TU, the student will have to return some of those federal funds.

## Private Scholarship Payments

If you receive scholarships from private organizations outside TU (not including Maryland state scholarships), you must contact the Student and University Billing Office to arrange for payment of scholarship funds. Scholarship funds are disbursed in accordance with procedures and policies set by the private scholarship donors and TU. Students may defer partial payment of TU charges before receiving scholarship proceeds by forwarding a copy of the scholarship award letter to the Student and University Billing Office. Any outstanding balance created when a student or donor fails to provide TU with adequate, timely information will become the financial obligation of the student.

## Scholarship Over Award Policy

TU will not award or disburse a combined total of federal, state, institutional and/or private scholarships that exceeds a student's cost of education unless all of the funding comes from a private external source. The cost of education is a standardized budget including tuition, fees, room, board and allowances for indirect costs such as transportation and personal expenses. Whenever a student's total aid package exceeds the

cost of education, the Financial Aid Office will adjust or reduce aid offered by the university.