FINANCIAL AID

The Financial Aid Office
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.

Contact Information:
Enrollment Services 339
p. 410-704-4236 f. 410-704-2584
www.towson.edu/finaid
finaid@towson.edu

Advising: To schedule an in-person or phone appointment with a financial aid adviser, call the office to schedule an appointment.

Eligibility Requirements
Aid programs may be need-based or non-need-based. Need-based aid helps students to pay the difference between their annual cost of education and the amount that the formula assumes they can contribute toward their own costs. Eligibility for non-need-based aid, such as scholarships, is usually based on academic achievements.

Federal Aid Eligibility Requirements
• Admission as a degree-seeking student
• 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.
• Male students must register for Selective Service.
• 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. To view the Financial Aid SAP policy, visit www.towson.edu/finaid.
• Perkins Loans and Federal Work-Study funds require financial need and funding is limited.

Financial Need Formula
Cost of Education Budget
– Expected Family Contribution (EFC)
– Outside Resources (scholarships, tuition waivers, etc.)
– Financial Need

TU prepares standardized Cost of Education 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. These budgets are available online at www.towson.edu/finaid. The Expected Family Contribution (EFC) 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.

Deadlines and Application Procedures
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 at www.fafsa.gov (http://www.fafsa.gov).
     • TU School Code: 002099.
     • First date to apply: January 1.
     • Aid period: Use each FAFSA to apply for aid for the following academic year (Fall-Spring-Summer).
   • FAFSA Priority Deadline
     • To be considered for TU Perkins Loans and most State of Maryland aid, your FAFSA must be fully processed by March 1.
     • To meet this deadline, submit your FAFSA by February 15.
     • Several days later, return to the FAFSA website, confirm that an “Expected Family Contribution (EFC)” was calculated, and review all data and error messages.
   • Estimating Tax Data
     • The FAFSA requires federal tax return data. If you cannot complete your taxes by February 15, you should submit your FAFSA by this deadline with estimated tax data.
     • If you report estimated tax data, after you complete your taxes you must return to the FAFSA website and make corrections to replace your estimates with your final tax data.
   • Late Applications
     If you miss the FAFSA Priority deadline, you should submit the FAFSA as soon as possible after the deadline, but you will lose consideration for several aid programs.

2. State Aid Programs
   Maryland residents should visit www.mhec.state.md.us (http://www.mhec.state.md.us) to apply for Maryland Higher Education Commission (MHEC) aid programs. Most MHEC aid programs require students to submit a complete FAFSA by March 1, but several programs also require additional application steps.

3. TU Scholarship Seeker
   To apply for scholarships from TU departments and the TU Foundation, please visit www.towson.edu/scholarshipseeker.

4. Private Scholarships
   A wide variety of private organizations, including businesses, foundations and civic organizations, offer scholarships. For free search tools and tips, visit www.towson.edu/scholarships.

Notification Process and 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 the Financial Aid Notification Guide, www.towson.edu/aidguide.
All aid recipients must read the annual Financial Aid Notification Guide, which includes instructions on how to accept your aid and all the terms and requirements for each aid program.

Campus-Based Aid Programs
Towson University receives a limited amount of money each year for the Campus-Based Federal Work-Study and Perkins Loan programs. Both of these programs require financial need. Because funding is limited, it is targeted toward eligible students with the highest levels of financial need. To apply, submit your FAFSA by the Priority Deadline (see above).
Federal Work Study
This federal aid program allows students to work and earn money for educational expenses. FWS employees receive paychecks every two weeks based on their hours worked. These expected future earnings cannot be used to pay charges that are due at the beginning of the term, such as tuition. Students who receive FWS offers will receive instructions on how to search the available FWS job openings on the Career Center’s website, www.towson.edu/careercenter.

Federal Perkins Loans
The maximum annual offer is $6,000 per year, and the maximum aggregate borrowing limit is $40,000 including all loans borrowed for undergraduate study. The annual interest is 5 percent, but interest does not begin to accrue (and no payment of principal is due) until nine months after the borrower leaves school or drops below half-time enrollment. Payments depend on the total amount borrowed, but will never be less than $40 per month, plus interest.

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 (including any previous Subsidized Direct Student Loans\(^1\)) is $138,500. Students are responsible for all interest costs, and interest accrues 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. For current interest rates and origination fees rates, visit www.studentaid.ed.gov/loans (http://www.studentaid.ed.gov/loans). 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.

\(^1\) Graduate students used to also be eligible to borrow Direct Subsidized Student Loans, but federal legislation eliminated that option beginning with the 2012-2013 academic year.

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. For current interest rates and origination fees rates, visit www.studentaid.ed.gov/loans (http://www.studentaid.ed.gov/loans).
- 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 loan processor deducts a 4.204 percent origination fee from your loan disbursements.
- For more details, visit https://studentloans.gov.

Federal TEACH Grants
This federal program provides up to $4,000\(^1\) 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. To apply, submit a FAFSA and complete the additional TEACH Grant application steps at www.towson.edu/finaid.

\(^1\) Federal sequestration cuts currently require annual reductions in the maximum award amounts by less than 1%.

Private/Alternative Loans
Some students choose to borrow alternative loans from private lenders. Because the alternative loan borrowing costs are almost always more expensive than the federal student loan options, we discourage students from considering these loans unless they have already exhausted all of their federal loan options. For more information on these loans, contact the Financial Aid Office.

Financial Aid Disbursements
Generally, students receive one half of academic year financial aid funds each term. The university will credit aid (except Federal Work-Study) toward term charges for tuition and fees and other direct university charges.

Students should take the following steps to ensure that funds are available in time to pay term charges:
- Meet the March 1 financial aid application deadline.
- Complete the admission requirements early.
- Register for classes at the earliest opportunity.

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

The Bursar’s Office can disburse rebates as early as 10 days before the start of the term. Students can ask the Bursar’s Office to convert a portion of their credit balances to retail points on their Towson University 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 Notification Guide for details.

Summer Trimester Aid
To request a loan for the summer trimester, submit the TU Summer Aid Application, which is available online at www.towson.edu/finaid/forms. Your combined fall, spring and summer loans cannot exceed the annual loan limits.

Refund Policy
When a student completely withdraws from Towson University 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 university 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, the university or the student (or both) must return the unearned funds to the Federal Title IV programs.

Towson University 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 the university.)

The student returns unearned Title IV assistance minus the amount the university returns. The U.S. Department of Education does not allow discretion on the part of the university 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 the university, the student will have to return some of those federal funds.

Private Scholarship Payments
If you receive scholarships from private organizations outside the university (not including Maryland state scholarships), you must contact the Bursar’s 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 Towson University. Students may defer partial payment of university charges before receiving scholarship proceeds by forwarding a copy of the scholarship award letter to the Bursar’s Office. Any outstanding balance created when a student or donor fails to provide the university with adequate, timely information will become the financial obligation of the student.

Scholarship Over-Award Policy
Towson University 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.