

FINANCIAL AID PROGRAM INFORMATION

New Dimensions School of Hair Design is Accredited by the National Accrediting Commission of Cosmetology Arts and Sciences, this allows us to participate in the Department of Education's Title IV Funding Programs. These funds are used to assist you in your educational expenses if you qualify. We participate in the Government's William D. Ford Direct Loan Program. Our School qualifies and participates in State funded programs: i.e., Veteran's Benefits, WIA, and Vocational Rehabilitation. In addition to all other funding, financial arrangements may be made with New Dimensions School of Hair Design including affordable monthly payments.

THE APPLICATION PROCESS

In applying for Financial Aid, you are responsible for completing the forms required by the programs and the School. The following are the required procedures:

U.S. Department of Education requirements: Need based & non-need based financial aid available. Need based & non-need based state and local aid programs. How to apply for aid and how eligibility is determined. How the school distributes aid among students. Rights and responsibilities of students receiving aid. How and when student financial aid disbursed. Terms of and schedules for repayment and required exit counseling. Satisfactory Academic Progress Policy (outlined in Section 2)

FEDERAL PELL GRANT PROGRAM

The Pell Grant program awards grants to needy undergraduates to help them meet their cost of postsecondary education. Students apply directly to the Department of Education on a Federal application, FAFSA (Free Application Federal Student Assistance). The students EFC (Expected Family Contribution) is determined and reported on the ISIR (Student Aid Report), which is mailed directly to the student. The Pell Grant is determined by comparing the students EFC with the school's cost of attendance on the annual payment schedule. Duration of student's eligibility must be checked. For the 2012-2013 award year, grants range from \$200.00 to \$5550.00, depending upon eligibility.

FEDERAL DIRECT LOAN PROGRAM The Direct Loan program is also designed to supplement the cost of postsecondary education. Direct Loans, however, are a loan program, and like all loans, must be repaid. This loan is available, to those who qualify, at a reduced interest rate. Repayment of the Direct Loan usually does not begin until six (6) months after the student has graduated from

school. Deferment of repayment may be granted by the lender to borrowers who qualify and request them. The Direct Loan program allows for deferment of the principle plus accrued interest. The Department of Education charges an insurance premium to the borrower.

OTHER FINANCIAL AID AVAILABLE (STUDENT SUPPORT SERVICES) New Dimensions School of Hair Design also is approved through Vocational Rehabilitation, the Workforce Investment Act (WIA) and Veterans Administration for funding. The Vocational Rehabilitation program and the WIA programs both must be checked into by the student prior to enrollment in the school. Each offers different types of financial help, but require a student to go through their orientation procedures and processes before a student may begin any type of formal training. The Veterans Administration has required paperwork that must be submitted prior to enrollment, and approval must be given as well for any student requesting Veterans benefits for schooling. Available also to qualifying students may be gas assistance, housing assistance, and day care assistance.

POLICY FOR CALCULATING A STUDENT'S NEED

Need analysis determines the EFC or the FC. These calculations are done by the Central Processing System (CPS), using the following two formulas mandated by Congress:

1. The EFC formulas- Yields the EFC (Expected Family Contribution) which is used to award Pell Grant aid.
2. The Congressional Methodology- Yields the FC (Family Contribution), which is used to award Stafford Loans.

Each formula contains the following variables: Income and assets measure family's financial strength Basic subsistence expenses are taken into consideration Offsets for certain expenses are deducted from the income Asset reserves protect part of the family's net assets

By using the appropriate worksheets, a financial aid administrator can calculate the EFC and FC just as they would be obtained from the automated processor. The worksheets are used to:

1. Calculate and estimated EFC
2. Calculate an official FC
3. Recalculate and EFC (correction)
4. Recalculate an FC (correction)
5. Recalculate and FC (adjustment)

These formulas are used to determine a student's eligibility or ineligibility to participate in the Title IV Financial Aid Programs.

Copies of the school's budget and cost of attendance worksheets for student financial assistance programs are in the office. Copies are available upon request.

REQUIRED STUDENT LOAN ENTRANCE AND EXIT COUNSELING POLICY

Schools are required by law to give both entrance and exit counseling to all Student Loan borrowers. Entrance counseling must be conducted before loans are delivered.

Entrance counseling In conducting entrance counseling the school must:

1. Emphasize the seriousness of the repayment obligations.
2. Describe the consequences of default'
3. Emphasize that the borrower must repay the full amount of their loan regardless of any dissatisfaction with the educational services received.
4. Explore all sources of aid and stress the constraints on the different sources.
5. Urge students to read and save all loan documents.
6. Review requirements for Satisfactory Academics Progress.
7. Review school's refund policy.
8. Provide debt management counseling.

New Dimensions School of Hair Design uses a standard form that covers all of the above requirements. This form is reviewed with the student prior to applying for the loan proceeds, signed and dated and retained in the student's file.

Exit Counseling During exit counseling, the school must:

1. Provide information about average Direct Loan borrower's indebtedness and repayment amounts.
2. Provide information on anticipated monthly payment amounts.
3. Review loan repayment options.
4. Recommend to the borrower debt management's strategies that would facilitate repayment.

5. Repeat entrance counseling items.

We use a standard form that covers all of the above requirements. This form is reviewed with the student prior to leaving the school on their last date of attendance, or completion date, and a copy is signed and dated and retained in the student's file. (If a student does not return to the school for some reason, and formal exit counseling is not available, a form letter is sent to the student via the U.S. mail requesting signature on the exit interview form, and return to the school for placement in the student's file).

HOW AND WHEN FEDERAL FINANCIAL AID IS DISBURSED

Federal Pell Grants

Federal Pell Grant applications (FAFSA) are required to be filled out and started with their processing when a student enrolls in the school. This allows us to let the student know how much Pell Grant Aid they may or may not receive. A student's EFC determines how much Pell Grant aid they may receive. All Pell Grant awards are paid in two payments. Pell Grants are disbursed as follows:

1 – 520 clock hours, first half of award.... 521-1040 clock hours, second half of award

Pell Award would be disbursed as follows: 1-520 clock hours \$1,500.00... 521-1040 clock hours \$1,500.00 total award \$3,000.00

*All students must maintain satisfactory academic progress as outlined in the school's Satisfactory Academic Progress Policy, to be eligible for disbursement of Pell Grant Award

Federal Loans

A student may apply for a Loan at enrollment. The loans takes approximately 2-3 weeks to process. Student Loans, like Pell Grant awards, come in two disbursements. Student Loans are disbursed as follows:

1-520 clock hours first half of loan

521-1040 clock hours second half of loan

I.e., a \$3,500.00 Student Loan would be disbursed as follows:

1-520 clock hours \$1,742.00
521-1040 clock hours \$1,742.00
total payments \$3,500.00 (loan is less insurance premiums)

*All students must maintain satisfactory academic progress as outlined in the school's Satisfactory Academic Progress Policy, section 1, to be eligible for disbursement of Federal Student Loan monies.

The school in its determination of satisfactory academic progress, will check the individual student's progress to be sure that student is eligible for the disbursement of the funds. If a student is not eligible for a disbursement, the money is returned to the lender until the student is eligible for the disbursement.

TITLE IV FINANCIAL AID PACKAGING POLICY

Within statutory and regulatory guidelines, a school has flexibility in formulating its' packaging policies and procedures. The packaging policy takes into account the mission and philosophy of the school. The school's packaging model describes the manner in which aid is awarded.

All applicants are treated identically and are awarded aid in the following manner:

- A. Federal Pell Grant
- B. External or private sources; Vocational Rehabilitation, WIA, etc.
- C. Self-help; Student Loan
- D. Gift aid (outside grants or scholarships)

Procedure: The first step in packaging is to determine student need, by subtracting the student's EFC from the student's COA for the Student Loan program. Then, using the Pell Grant payment and disbursement schedules, the Pell amount should be determined. From there, the awarding of aid depends on the payment policies of the institution.