Assistance Available From Federal and Institutional Programs at Heritage Christian University

Federal Grants

The federal government is the largest provider of financial aid. Heritage Christian University believes that it makes sense to know as much as possible about federal financial aid programs and to apply for federal financial aid funds before seeking out other non-federal financial aid sources. Grants may be awarded if you show financial need based on the Free Application for Federal Student Aid (FAFSA). The grants listed here are administered by Heritage Christian University based on the guidelines set for each program by the provider.

Federal Pell Grants are considered the foundation of federal financial aid, to which aid from other federal and non-federal sources might be added. It is gift aid that is awarded to the highest need students. Students are automatically considered for Pell Grant when they file the FAFSA. Pell Grants are for students who are seeking their first undergraduate degree and whose Estimated Family Contribution (EFC) ranges from 0 to 5198. The annual award amount is determined by your EFC and enrollment status. The maximum scheduled 2015-2016 award is $5,775.

Students who establish eligibility will be funded. All documents needed to establish eligibility must be received prior to your last day of enrollment, or June 30 of the award year, whichever comes first. Initial awards are estimated based on the results of the FAFSA and are based on a full time enrollment calculation. Estimates will change if any criteria used to determine your eligibility, degree status, satisfactory progress, and income or family information changes.

The amount actually paid to you from the Federal Pell Grant will be prorated if you enroll for less than 12 credit hours in a given term or if you take courses outside your program of study. You must begin attending all of your classes on the first day. If you are withdrawn for non-attendance prior to the actual payment of Pell Grant funds, your eligibility could be cancelled. Beginning with the 2012-2013 Academic year, Pell Grant funding has a limit to the total amount of Pell Grant that a student may receive, which is the equivalent of 6 school years (600 % maximum). Once a total amount of Pell Grant eligibility has been received, a student can no longer receive Pell Grant aid.

Pell Grant and Iraq & Afghanistan Service Grant Awards are for Pell-eligible student whose parent or guardian died as a result of U.S. military service in Iraq or Afghanistan after September 11, 2001, may receive increased amounts of Federal Student Aid if the student was less than 24 years old when the parent or guardian died, or was enrolled at an institution of higher education at the time of the parent or guardian’s death. There are two different provisions for such students, depending on whether the student has an EFC that falls within the range for Pell eligibility or not.
• **Provision 1: Zero EFC Treatment for Children of Soldiers** - Pell eligible students will receive the Zero EFC maximum Pell Grant Award. HCU will use an EFC of 0 to package all Federal Student Aid if the student meeting the above criteria. **Exception:** The award may not exceed the student’s cost of attendance.

• **Provision 2: Iraq and Afghanistan Service Grant** - Non-Pell Eligible students will receive the Iraq Afghanistan Service Grant equal to the amount of a maximum Pell Grant Award. Iraq and Afghanistan Service Grants are made under the same terms and conditions as Pell, and disbursements for each payment period are calculated in the same manner as Pell. **Exception:** The award may not exceed the student’s cost of attendance.

**Federal Supplemental Educational Opportunity Grant (FSEOG)** is a need–based federal grant awarded to undergraduates seeking a first undergraduate degree in an eligible program who have exceptional financial need. The award amount at Heritage varies by enrollment and allocation. Priority is given to students with an Estimated Family Contribution (EFC) of "0" who apply for financial aid early. Limited funding is available in this program and funding is awarded on a first come–first served basis. Recipients are chosen based on EFC. Initial awards are estimated based on the results of the FAFSA and assume a full time enrollment. Actual payment will not be determined until after the add/drop period has ended and classes have begun.

**Federal Work Study (FWS)** is a federal campus-based program that provides jobs for undergraduates who are enrolled at least half-time. Most jobs are on-campus (students working for the school), although some are off campus. Students seeking FWS must complete the Free Application for Federal Student Aid (FAFSA) and meet the general requirements for federal aid.

FWS funds are made available to undergraduate students with financial need. Campus employment includes a variety of opportunities within departments of the University. The specific working hours approved per week are arranged so they do not interfere with class attendance or academic progress. Students generally work 4-10 hours per week and may work during the summer under certain conditions. Students are paid at least the current federal minimum wage and are paid once a month at the end of the month. The total a student may earn depends on the amount of the student’s financial aid award, which is determined by the Office of Financial Aid based on the funds available to the University. **Important Note:** Since the FWS award is based on the availability of funding at HCU, there is no guarantee that every eligible student will receive a FWS award.
Federal Direct Loans

Federal Direct Loans are made through the Department of Education. They are low-interest loans for students and parents to help pay for the cost of a student's education after high school. The lender is the U.S. Department of Education, though the entity you deal with is your loan servicer. With Direct Loans, you:

- borrow directly from the federal government and have a single contact—your loan servicer—for everything related to repayment, even if you receive Direct Loans at different schools.
- have online access to your Direct Loan account information via your servicer's website or the National Student Loan Data System (NSLDS) website (www.nslds.ed.gov).
- can choose from several repayment plans that are designed to meet the needs of almost any borrower, and you can switch repayment plans if your needs change.
- The federal Stafford loan programs now carry both annual and cumulative (lifetime) limits. Students, who reach their lifetime loan limit, cannot receive any more of that type of loan. If a student exceeds their limit, aid already disbursed will be billed back. It is advantageous for students to borrow only what is needed for educational expenses, and to keep track of their cumulative debt. The Office of Financial Aid is happy to work with students to find ways to minimize borrowing.

Loans are financial aid funds that are borrowed and then repaid after a student completes his/her program or stops going to school. Given that loans must be repaid from future earnings, **Heritage Christian University recommends that students use all other possible resources first and borrow only when it’s absolutely necessary.** Students who wish to apply for a Federal Direct Loan must complete a [FAFSA](#) and be enrolled at least half-time. To ensure students are aware of all the provisions and responsibilities of borrowing from the educational loan programs, all loan students must attend a [Loan Entrance Counseling session](#) before receiving the initial loan disbursement, and complete a [Loan Exit Counseling session](#) before dropping below half-time, graduation or leaving HCU.

There are two types of Federal Direct Loans:

- **Subsidized Direct Loans**: Students who are enrolled at least half-time and who demonstrate financial need through the financial aid application process can have the interest paid on Subsidized Direct loans by the federal government while they are in school.

- **Unsubsidized Direct Loans**: Students who are at least half-time, but who do not demonstrate need for Direct Loans may still obtain the Unsubsidized Direct loan, however, interest will start to accrue at disbursement and while the student is in school. Students are advised to pay on this interest while still attending school.

Students do not have to begin repaying the principle of either type of loan until after they leave school or, after they stop attending half-time. There is a 6-month [grace period](#) on
the federal Direct Loans (subsidized and unsubsidized). The Direct Loan Servicer website is a great tool for managing your loan accounts, changing your address, making online payments, and for finding forms for deferments, forbearance and such.

**IMPORTANT** - if you take a semester off from school, you can anticipate that your loans will go into repayment before you re-enroll for a later semester. You receive only one 6-month grace period. Expect to start repaying your loans quickly if you previously took a break in your enrollment.

**Federal Direct Loan Interest Rates and Origination Fees**

2015-2016 **Federal Direct Loan Origination Fee Percentage** for Direct Subsidized Loans and Direct Unsubsidized Loans, which will be deducted from the gross amount borrowed before it is disbursed to the student, is as follows:
- on or after October 1, 2014 and before October 1, 2015 1.073
- on or after October 1, 2015 and before October 1, 2016 1.068

2015-16 **Federal Direct Loan Interest Rates** will decrease as of July 1, 2015. The interest rates are slightly lower than the previous academic year. The new 2015-16 Direct Loan interest rates are fixed for the life of the loan at: 4.29% for Subsidized & Unsubsidized Stafford Loans for undergraduate students.

If you have a **subsidized loan**, you will not be charged interest while you are enrolled in school at least half-time, after you graduate or leave school, or during any authorized period of deferment. If you have an **unsubsidized loan**, you will be charged interest from the day the loan is disbursed until it is repaid in full, including while you are in school, during the six-month grace period, or during any authorized period of deferment. You have the option to pay the interest during these periods. If you choose not to pay the interest on unsubsidized loans during these periods, it will be capitalized (added to the principle when repayment begins).

Monthly payments, which begin six months after enrollment stops or drops below half-time, are based on the total amount borrowed, but will never be less than $50 per month. In addition to the FAFSA, these loans require a separate loan application (contact the Office of Financial Aid).

**Disbursement of Financial Aid**

Federal Pell Grants and Federal Direct Loans are disbursed in four installments during the academic term (two disbursements each semester). Financial Aid recipient students are allowed to carry a balance until all disbursements are made. The first disbursement is available the fifth week of classes. The second disbursement is available the ninth week of classes.
FSEOG grants and HCU Scholarships are applied immediately and in full to the student’s account by the Business Office upon written notification of eligibility from the Office of Financial Aid.

Federal Work-Study checks are disbursed at monthly intervals based on the amount of time worked and reported on the time sheet for the prior month.

All financial aid funds, except Federal Work-study, are applied first toward the student’s balance due. When applicable, refund checks are disbursed by the HCU Business Office. Student’s must pick up refund checks in person and supply photo proof of identity.

**Student Rights and Responsibilities**

Current law requires Heritage Christian University, an eligible institution participating in Title IV financial aid program, to provide our students with the following information concerning student rights and responsibilities in regards to federal financial aid. The rights listed below apply to eligible students who have reached 18 years of age or are attending an institution of postsecondary education. When a person becomes an eligible student, the rights accorded to and the consent required of parents under this part, transfer from the parents to the student.

**You have the right:**

- To know all the federal, state, institutional and private student financial assistance programs available, including both need-based and non-need-based programs.
- To know the procedures, forms, deadlines, and eligibility requirements to apply for assistance; the criteria for selecting aid recipients and determining the amount of aid awarded.
- To know the procedures, forms, deadlines, and eligibility requirements for a program of Study Abroad.
- To know the cost of attending the University, how those costs are determined, and how your estimated expenses are developed.
- To know what resources we have considered in calculating your financial need, how the Expected Family Contribution was determined, and how much of your financial need has been met.
- To know the standards required for maintaining satisfactory academic progress (SAP) for financial aid eligibility.
- To know how and when disbursement of financial aid is made, the University's refund policy for costs paid to the University, and any refund due to Title IV student assistance programs.
- To know the terms and conditions of any loans, employment, scholarships, or grant aid you receive.
- To know the policies and procedures used to maintain confidentiality of financial aid records. Only those individuals who directly handle the application have a right to know or access the information. Heritage Christian University complies with the Family Educational Rights and Privacy Act of 1974.
To know that disclosure of your financial aid information may be made to other school officials, including teachers, within the school whom the school has determined to have legitimate educational interests and to officials of another postsecondary school or school system, where you receive services or seek to enroll.

To know who to contact and how to contact financial aid personnel regarding information on student financial assistance.

Knowing the Institutional Refund Policy.

To know the academic programs of the University, the facilities available, and the faculty and instructional personnel.

To know the names of bodies that accredit, approve, or license the institution and its programs and how their documents may be reviewed.

To know the completion or graduation rate of students.

To know statistics on the receipt of athletic-related student aid.

To know campus security policies and crime statistics.

To know what facilities and services are available to students with disabilities.

It is your responsibility:

To read and consider all information about the University before you enroll.

To complete all University application forms thoroughly and accurately and submit them to the appropriate office(s) by required deadlines.

To accurately and honestly complete your Free Application for Federal Student Aid (FAFSA). Errors can result in delays. False or misleading information is a criminal offense and is subject to a $20,000 fine, imprisonment, or both.

To use any federal, or institutional financial aid received during the award year solely for expenses related to attendance at Heritage Christian University.

To read, understand, and accept responsibility for all forms or agreements you sign. We recommend you keep copies for your records.

To notify the Office of Financial Aid if you attend two schools at the same time. You can only receive federal or state aid at one school at a time.

To report to the Office of Financial Aid if you are in default on a student loan or if you owe a refund or repayment on any educational grant received from any school.

To notify your student loan lender of changes in your name, address, and school status.

To perform the work agreed upon when you accept a work-study award.

To know and to comply with the following University policies and procedures as they relate to financial aid: enrollment status for aid disbursement, satisfactory academic progress, withdrawal, refund/repayment, and debt management.

To keep your address and phone number current with the University on your student Populi account or with the Registrar's Office.

Completing the entrance counseling before receipt of first loan disbursement.

Scheduling an exit interview with the Office of Financial Aid when dropping below half-time, graduating or leaving Heritage Christian University for any reason.

Accepting responsibility for all agreements signed.

Signing promissory notes for student loans, following the repayment schedule, notifying school, loan servicer agency of changes in name, address, social security number, or attendance.
The Office of Financial Aid – HCU Federal School Code - 015370

The Office of Financial Aid hours of operation are Monday through Friday 8:00 am until 4:30 pm. You are encouraged to visit anytime during business hours to have your financial aid questions answered, your forms reviewed for accuracy, and to pick up any additional forms or application materials you may need.

► You may visit, call, email or write for more financial aid information:

Call ....................... 256-766-6610/800-367-3565 ext. 303
Email..................................................... mthompson@hcu.edu
Fax ................................................. 256-716-8021

► Send correspondence to:

Heritage Christian University
P.O. Box HCU
Florence, AL 35630
Attn: Office of Financial Aid