FINANCIAL AID AND ADULT LEARNERS: NAVIGATING THE WATERS OF ACADEMIC SUCCESS AND FINANCIAL AID ELIGIBILITY

Hendrick Best Practices for Adult Learner Conference
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Bonnie Benjamin
Office of Student Aid
University Park
Topics

- Satisfactory Academic Progress (SAP) for Federal Student Aid Policy
  - Sample Case
  - Strategies that support meeting SAP
- Receiving Federal Aid until Graduation
  - Actions that put a student at risk for losing aid eligibility
  - Additional issues affecting receiving aid through graduation
- Referring students to the Office of Student Aid
Sample Case

- Callie is admitted to the World Campus for a Bachelor’s degree. She has 53 credits from another school she attended. She plans to complete 6 credits per semester and go year round. She has Stafford loan debt of $6,343 from her previous enrollment.
  - What academic issues does she need to address?
  - What financial aid issues does she need to address?
Satisfactory Academic Progress (SAP)

- SAP has been a part of federal aid eligibility for as long as there has been federal aid for students.
- New policy became effective beginning summer 2011.
- All colleges and universities must comply.
- Penn State chose the most generous percentage rates permitted by federal regulation.
- The SAP Policy is online at [http://www.psu.edu/studentaid/needtoknow/sap.shtml](http://www.psu.edu/studentaid/needtoknow/sap.shtml).
What is SAP?

1. Students must be in degree status.

2. Completion Rate
   - Students must complete at least 67% of the \textit{total} credits attempted
     - Percentage calculations are not rounded
   - Students are evaluated at the end of each semester in which they are enrolled
     - Undergraduate students have a one-time warning semester during which they are eligible for federal aid.
     - Graduate students do not have a warning semester

3. Maximum Time
   - Students need to complete their degree within 150% of the number of credits required to complete the degree
When Are Attempted Credits Collected

- **Registration Status**
  - Complete – the number of credits on the first day of classes
  - Incomplete – the number of credits at the time the student becomes registered

- After classes begin and the student is registered, the attempted credits will increase if the number of credits added is more than the number of credits dropped

- The number of attempted credits cannot decrease
  - The exception is an Administrative Course Cancellation
Strategies to Help Adult Students Meet SAP

1. Plan a realistic schedule
   - Credit Load
   - Course content/combination
   - This supports early academic success

2. Complete the credits you begin
   - Pass courses you start with a D or higher

3. Take courses required for your degree(s)
   - Complete your degree within the 150%

4. Drop/Add at the same time
   - If you need to add and drop a course, do it at the same time
Actions that may put students at risk – Completion Rate

1. Students never attend the class
   - Attendance is measured by date of last completed work, unless professor takes attendance
   - Advise students to consider administrative course cancelation.

2. Students over schedule courses during registration
   - Example, a student plans to complete 6 credits but schedules 12
Actions that may put students at risk – Completion Rate

3. Students late drop courses, withdraw, or are approved for a retroactive withdrawal

- Late drop and withdrawal decisions should be made for academic reasons
- Decisions to late drop or withdraw support academic goals, but may not support continuing aid eligibility
- There is no easy or right solution when a student is facing a decision to late drop or withdraw
Actions that may put students at risk – Maximum Time

4. Transfer students with lots of credits

- It is important for transfer students to get early, thorough evaluation of which credits are useful to their current degree
- Students may be at or near the 150% as they begin their studies at PSU
- Refer these cases to financial aid to discuss an appeal
Actions that may put students at risk – Maximum Time

5. Students take a large number of credits that are not required to meet their current degree requirements.
   - Students are taking courses but not taking the 300/400 level courses needed to complete the degree
   - Students enrolled in 2-year degrees who are taking courses toward a future 4-year degree

6. Students who have a 4-year degree and are now enrolled in a 2-year degree
Students Who do not Meet SAP

- Student receives an email if in warning, ineligible or probation status.

- Appeals may be possible for students with circumstances outside their control.
  - Refer students to their campus to discuss their specific situation.
Callie and SAP

- Completion Rate
  - 100% - she completed her 6 credits in SP12
    - Attempted = 59; Earned = 59

- Maximum Time
  - Completed 59 credits of 180 allowed
Callie and SAP

- Transfer credit evaluation is vital prior to enrolling
  - She needs to know how many credits she will need to graduate
  - She needs this number to plan for time and financial commitment
  - Will she have enough loan money to complete her degree as currently planned?
  - Will she exceed the maximum time limit for SAP?
Additional Issues - Annual and Aggregate Stafford Loan Limits

- The federal government sets both of the loan limits
- Both limits are based on credits earned and dependency status as determined by the FAFSA
- Graduate students have higher loan limits than undergraduate students
- Graduate students can access the Graduate PLUS loan
# Federal Stafford Loan Limits

<table>
<thead>
<tr>
<th></th>
<th>Dependent Undergraduate Student</th>
<th>Dependent Undergraduate Student with a Parent PLUS Loan denial*</th>
<th>Independent Undergraduate Student</th>
<th>Graduate and Professional Degree Student</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First-Year</strong></td>
<td>$5,500 A maximum of $3,500 may be subsidized</td>
<td>$9,500 A maximum of $3,500 may be subsidized</td>
<td>$9,500 A maximum of $3,500 may be subsidized</td>
<td>$20,500</td>
</tr>
<tr>
<td>(0 – 27 credits)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Second-Year</strong></td>
<td>$6,500 A maximum of $4,500 may be subsidized</td>
<td>$10,500 A maximum of $4,500 may be subsidized</td>
<td>$10,500 A maximum of $4,500 may be subsidized</td>
<td>$20,500</td>
</tr>
<tr>
<td>(27.1 – 59 credits)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Third-, Fourth-, and Fifth-Years</strong></td>
<td>$7,500 A maximum of $5,500 may be subsidized</td>
<td>$12,500 A maximum of $5,500 may be subsidized</td>
<td>$12,500 A maximum of $5,500 may be subsidized</td>
<td>$20,500</td>
</tr>
<tr>
<td>(59.1+ credits)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Career Maximum Loan Amounts</strong></td>
<td>$31,000 A maximum of $23,000 may be subsidized</td>
<td>$57,500 A maximum of $23,000 may be subsidized</td>
<td>$57,500 A maximum of $23,000 may be subsidized</td>
<td>$138,000 The graduate debt limit includes Stafford loans received for undergraduate study.</td>
</tr>
</tbody>
</table>

*The graduate debt limit includes Stafford loans received for undergraduate study.
Additional Issues - Retention to Graduation

- Undergraduate students who attend part-time and use full annual Stafford loan amounts may reach aggregate limits prior to completing their degree.

- Graduate students who reach their Stafford Loan limit can use the Graduate PLUS loan.
Additional Information - Default Prevention is Everybody’s Business

- Leaving school prior to graduation increases the risk of a student defaulting

- Default
  - Failure to repay a loan according to the terms of the promissory note.
  - This failure must persist for 270 days.
Additional Issues - Retention to Graduation

- Financial planning for college costs
  - What resources do I have available to me?
  - Will my academic plan allow me to graduate before I reach the aggregate limit?
  - How will I pay my living expenses?
  - How much loan debt am I willing to take?
  - Will I be able to repay my loans?
  - Will the salary from my degree support my loan payment?
  - What other debt do I have?
## Callie and Stafford Loan Aggregate limit

- **Independent UG Baccalaureate student = $57,500**

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Academic Year Amount</th>
<th>Amount Borrowed</th>
<th>Credits Completed – 18 per year</th>
<th>Credits completed – 12 per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arriving at PSU</td>
<td></td>
<td>$6,343</td>
<td>53</td>
<td>53</td>
</tr>
<tr>
<td>2011-12</td>
<td>$10,500</td>
<td>$16,843</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>2012-13</td>
<td>$12,500</td>
<td>$29,343</td>
<td>83</td>
<td>77</td>
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<tr>
<td>2013-14</td>
<td>$12,500</td>
<td>$41,843</td>
<td>101</td>
<td>89</td>
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<tr>
<td>2014-15</td>
<td>$12,500</td>
<td>$54,343</td>
<td>119</td>
<td>101</td>
</tr>
<tr>
<td>2015-16</td>
<td>$12,500</td>
<td>0 or $3,157</td>
<td>122</td>
<td>113</td>
</tr>
</tbody>
</table>

- On the 18 credit plan Callie would not have summer Stafford Loan eligibility if she uses her full annual amount during fall and spring.

- This chart is based on the assumption she will complete all courses without failing, late dropping, or withdrawing.
Callie Repaying her Stafford

- She owes $54,343 (18 cr. per year)
  - This is without interest capitalization on unsubsidized loan
- Standard repayment is 10 years
- Monthly payment is $625
- Total paid over 10 years is $75,045
- These amounts assume she graduates with a degree, gets a job, and can repay on time for 10 years
Callie Revisited

- What are the academic issues to be addressed?
- What are the financial aid issues to be addressed?
Callie Revisited - Academic

- Early evaluation of transfer credits – usable for degree?
- Determine number of credits needed to graduate
- Discuss realistic credit loads given other demands of life
- Refer to Student Aid to discuss loan limits, SAP, long-term planning to graduation
Callie Revisited – Financial Aid

- Financial Aid eligibility
- Current loan debt, if relevant
- Aggregate loan limits
- Understand SAP policy
- Learn their current SAP status
- Understand aid sources available in the summer
- Student specific questions
Questions & Discussion

- Referral to campus at which student enrolled:
  - studentaid.psu.edu; ‘Contact’ in upper right corner
  - Includes a link for the Student Aid Office at each location of Penn State