

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

Hendrick Best Practices for Adult Learner Conference

May 14, 2012

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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 around. 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>

What is SAP?

1. Students must be in degree status.
2. Completion Rate
 - Students must complete at least 67% of the 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 and 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

	Dependent Undergraduate Student	Dependent Undergraduate Student with a Parent PLUS Loan denial*	Independent Undergraduate Student	Graduate and Professional Degree Student
First-Year (0 – 27 credits)	\$5,500 A maximum of \$3,500 may be subsidized	\$9,500 A maximum of \$3,500 may be subsidized	\$9,500 A maximum of \$3,500 may be subsidized	\$20,500
Second-Year (27.1 – 59 credits)	\$6,500 A maximum of \$4,500 may be subsidized	\$10,500 A maximum of \$4,500 may be subsidized	\$10,500 A maximum of \$4,500 may be subsidized	\$20,500
Third-, Fourth-, and Fifth-Years (59.1+ credits)	\$7,500 A maximum of \$5,500 may be subsidized	\$12,500 A maximum of \$5,500 may be subsidized	\$12,500 A maximum of \$5,500 may be subsidized	\$20,500
Career Maximum Loan Amounts	\$31,000 A maximum of \$23,000 may be subsidized	\$57,500 A maximum of \$23,000 may be subsidized	\$57,500 A maximum of \$23,000 may be subsidized	\$138,000 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

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

- 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 with out 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

- ① What are the academic issues to be addressed?
- ① 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