Guide for Student Financial Planning

2010-2011

Office of Admissions and Financial Aid

This information contained in this guide was correct as of the date of publication. Due to pending legislation in Congress some of this the information (particularly around the loan programs) may be changing. Please consult the Seminary’s website (www.bts.edu/financialaid) for the most recent updates.
The student has the right:
1. to know what financial aid programs are available at Bangor Seminary.
2. to know the deadlines for submitting applications for each of the financial aid programs available.
3. to know how his/her financial need was determined.
4. to know how much of his/her financial need as determined by the institution has been met.
5. to know the Federal refund policy and the Seminary’s refund policy.
6. what portion of the financial aid received must be repaid and what portion is grant aid. If the aid is a loan, the student has the right to know what the interest rate is, the total amount that must be repaid, repayment procedures, the length of time the student has to repay the loan, and when repayment will begin.
7. to know how the school determines whether he/she is making satisfactory academic progress, and what happens if he/she is not.

The student has the RESPONSIBILITY to:
8. complete all application forms accurately and submit them in a timely fashion to the Office of Admissions and Financial Aid.
9. provide correct information. The student must inform the Office of Admissions and Financial Aid of any change in name, address, enrollment status, financial circumstances, marital status, or curriculum/program change. In many instances, reporting inaccurate information on financial aid application forms is a violation of federal law.
10. return all additional documentation, verification, and/or new information requested by either the Office of Admissions and Financial Aid or the agency to which the student has submitted his/her application.
11. read and understand all the forms that he/she is asked to sign and for keeping copies of them.
12. accept responsibility for all agreements that he/she signs.
13. perform the work that is agreed upon in accepting a Federal Work-Study award.
14. be aware of and comply with the deadlines for application or re-application for aid.
15. be aware of the school’s refund procedures.
16. complete entrance loan counseling required by federal regulation for Federal Direct and Federal Perkins Loans. The entrance interview emphasizes the seriousness and importance of repayment obligations.
17. complete exit loan counseling required by federal regulations for Federal Direct and Federal Perkins Loans. The exit interview emphasizes the student’s rights and responsibilities, as well as the consequences of defaulting on a student loan. It also covers repayment information.
PURPOSE OF THE
FINANCIAL AID PROGRAM

The Office of Admissions and Financial aid works with current and prospective BTS students to help make seminary education affordable and possible. Need-based aid from federal and state programs is determined with a formula developed by Congress and administered by the Department of Education.

Assistance may be in the form of grants, scholarships, student employment or loans. Applicants are encouraged to discuss their needs and eligibility for aid with the Director of Admissions and Financial Aid.

Any degree-seeking student is eligible to apply for financial aid. The Seminary does not discriminate on the basis of race, color, religion, sex, age, veteran’s status, national origin, sexual orientation, gender expression or disability in its awarding of student aid and scholarships.

What is Financial Aid?

Financial aid is any source of funding that helps pay for your cost of education. Cost of attendance includes tuition and fees, books, supplies, and personal living expenses. Financial aid consists of four types of assistance:

- **Scholarships** may be awarded on the basis of academic achievement and with or without regard to financial need. Scholarships do not need to be repaid.
- **Grants** are usually awarded on the basis of financial need. The terms “grants” and “scholarships” are often used interchangeably and basically mean the same thing - money awarded that does not need to be repaid.
- **Loans** must be repaid (usually after you leave school). Student loans have lower interest rates than commercial loans. Federal Perkins Loans have an interest rate of 5%. Federal Direct Loan rates may vary from year to year but will never exceed 8.25%.
- **Federal Work-Study** is a need-based employment program providing a limited number of on and off-campus jobs.

Who Should Apply?

All degree-seeking students are encouraged to apply for financial aid and must reapply each year. The priority deadline is **May 1**, however BTS will consider students for aid throughout the year. Some awards are granted on a first-come, first-served basis. Yearly re-application is necessary since Federal regulations change often and the availability of funds and family situations change each year.

APPLYING FOR FINANCIAL AID

Application for all student financial aid, including federal, state and institutional sources, begins by completing the Free Application for Federal Student Aid (FAFSA). The best way to do this is to file electronically using **FAFSA on the Web** [www.fafsa.ed.gov]

Be sure to list Bangor Theological Seminary on your application so that we receive your application data.

*BTS Institution Code: 002035*

By filing online, the renewing of your FAFSA for next year will be easier since much of the information will already be filled in.
Financial Aid Application Materials Needed:

- Complete the FAFSA
- Submit the BTS financial aid application form
- Submit a copy of your tax return

Return all materials to:
Office of Admissions and Financial Aid
Bangor Theological Seminary
Two College Circle
PO Box 411
Bangor ME 04402-0411

SPECIAL CIRCUMSTANCES

It is our goal to help you make realistic plans for financing your education at BTS. If you believe that there are unusual or special circumstances in your family that significantly impact your circumstances, please provide an explanation in writing, either on the BTS Application for Assistance or separately. A “Special Condition” form is available for certain situations – refer to the application materials for details.

DETERMINING FINANCIAL NEED

Most financial aid is awarded to students on the basis of financial need. The calculation is straightforward: Need = COA - EFC.

COA (Cost of Attendance) consists of tuition and fees, plus an estimated cost for books and supplies, room and board, transportation and personal expenses. Student budgets reflect educational costs plus living expenses for the student only for the period the student is in school. The only exception to this is the dependent care allowance.

EFC (Expected Family Contribution) is the amount of money you are expected to contribute toward your education. The EFC is calculated by the federal student aid processing center using the information you reported on the FAFSA. The calculation is based on a federal formula passed into law by Congress. You are notified of your EFC by the Student Aid Report (SAR).

ELIGIBILITY FOR FINANCIAL AID

To be eligible to receive aid from Federal or state sources, students must comply with the following federal requirements:

- Meet enrollment status requirements (minimum half-time – 6 credits per semester) through eligible coursework that fulfills degree requirements not to exceed 51 credits for the M.A. and 90 credits for the M.Div. Aid will not be awarded for courses that do not fulfill requirements.
- Have demonstrated financial need (for need-based aid)
- Be enrolled or accepted for enrollment in a degree program.
- Be a U.S. citizen, permanent resident of the U.S., or other eligible non-citizen.
- Be making Satisfactory Academic Progress.
- Must not be in default on any federal loan program or owe a refund on a federal grant.
- Have a Social Security number.
- Must report all outside scholarships or assistance received.
TYPES OF FINANCIAL AID

Students are automatically considered for all federal programs by completing the FAFSA.

Grants are awarded to students demonstrating exceptionally high financial need. Scholarships are typically awarded based on merit, achievement, need or a combination of these factors. Receipt of an outside scholarship (i.e. a church or denomination, Eastern Star, etc) must be included as part of the student's financial aid award and may, in some cases, result in adjustments to the existing award. Grants and scholarships do not have to be repaid.

All students
- Bangor Theological Seminary Grants and Scholarships
- Denominational Scholarships
- Community/philanthropic scholarships
- Federal Work-Study

Bangor Plan students (undergraduate only):
- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grants
- Maine State Grants

Seminary Grants are usually awarded to students on the basis of demonstrated need and academic achievement. Average grants range from $500 - 3000.

Federal Pell Grants do not have to be repaid and are available for eligible, undergraduate students. The Pell Grant is based on financial need

Federal SEOG Grants are funded by a combination of federal and institutional resources. This grant is for undergraduate students with exceptional need. Priority consideration is given to Pell grant recipients.

Maine State Grants are offered to undergraduate students who have been residents of Maine for at least a year prior to entering school and who show exceptional financial need. Students submitting a completed FAFSA by May 1st of each year are automatically considered for this grant.

The Federal Work-Study Program is funded by a combination of federal and institutional resources. The FWS program provides a limited number of on and off-campus positions and is available for students with demonstrated financial need.

Off-campus community service positions are designed to improve the quality of life for community residents; particularly low-income individuals, or to solve particular problems related to their needs. Students who wish to be considered for a community service position should contact the Director of Financial Aid for employment opportunities within outside non-profit agencies and organizations.

All students who indicate on the BTS Application (which must be completed yearly) that they wish to be considered for a work-study position are sent a memo prior to the fall semester. This memo lists the potential job openings for the coming year, and provides contact information for the supervisors. The Office of Admissions and Financial Aid does not place students in work-study positions but will work with students to identify possible placement opportunities.

Generally, students are not allowed to work more than 20 hours per week during in-school periods. During periods of non-attendance, students may work full-time for approximately 35 - 40 hours per week.

Since work-study awards are counted as financial assistance, students should be aware that an award may mean canceling a portion of a student loan to prevent an over award.
Student Loans

Federal Perkins Loans\(^1\) are low interest (5\%) loans that are made through Bangor Theological Seminary. This program is funded by a combination of federal and institutional sources, as well as by repayment from previous borrowers.

Repayment begins after a nine month grace period. The grace period begins when you leave school, graduate, or drop below half-time attendance. Borrowers have a maximum of 10 years to repay the loan, depending on the total amount of the loan.

Maximum annual awards are $5500 for undergraduates and $8000 for graduates. Aggregate borrowing limits are $27,500 for undergraduates and $60,000 for graduate and professional students.

Federal Direct Loans

Direct Loans are low-interest loans for students and parents to help pay for the cost of a student's education. The lender is the U.S. Department of Education (the Department) rather than a bank or other financial institution.

With Direct Loans, you

- Borrow directly from the federal government and have a single contact—the Direct Loan Servicing Center—for everything related to the repayment of your loans, even if you receive Direct Loans at different schools.
- Have online access to your Direct Loan account information 24 hours a day, 7 days a week at Direct Loans on the Web at: www.dl.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.

Direct Loan eligibility letters are sent to those that indicate an interest in student loans on their BTS application for aid. Please be aware that you ARE required to repay these student loans and BTS will uphold its due diligence requirements by conducting entrance and exit interviews with borrowers.

Annual loan limits are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Subsidized</th>
<th>Unsubsidized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergrad 1st year</td>
<td>3500</td>
<td>6000</td>
</tr>
<tr>
<td>Undergrad 2nd year</td>
<td>4500</td>
<td>6000</td>
</tr>
<tr>
<td>Undergrad 3rd &amp; 4th year</td>
<td>5500</td>
<td>7000</td>
</tr>
<tr>
<td>Graduate (all years)</td>
<td>8500</td>
<td>12000</td>
</tr>
</tbody>
</table>

Total loan limits are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Subsidized</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>23,000</td>
<td>57,500</td>
</tr>
<tr>
<td>Graduate Student</td>
<td>65,500</td>
<td>138,500</td>
</tr>
</tbody>
</table>

Subsidized Federal Direct Loans are loans for which the Federal government subsidizes interest while a student is in school, in grace period or in certain types of deferment periods. Students must demonstrate financial need to qualify for this subsidized loan program.

Unsubsidized Federal Direct Loans are available to eligible students without regard to financial need.

\(^1\) Subject to change due to legislative updates
Student Loan Debt: Due to the diversity within the Seminary student population, the amount of debt that students accumulate through their BTS education will be varied. Many students finish with no debt at all, but others may have substantial loan debt. Students interested in discussing their own situation should contact the Director of Admissions & Financial Aid.

HOW AID IS DISBURSED

All aid (except for work-study and outside scholarships) is applied in two installments: toward the fall semester and the spring semester. Perkins Loans require that the student endorse the check in the Business Office. Direct Loan funds will be applied to the student’s account by the Business Office.

Any balance due to a student, after all tuition and fees have been subtracted, will be returned to the student within 14 days, unless the student authorizes the school to hold the funds.

FEDERAL WORK-STUDY:
Students are paid according to the schedule set by the Business Office. Pay rates vary based on student's education and experience.

PAYMENT PLANS
Charges for tuition and fees are due and payable on or before the first day of each semester. In the event that payment is not made at registration, the following procedures are followed:

Financial Aid: Students who have filed all necessary paperwork for financial aid, but have not yet received monies prior to the first class, are allowed to attend class. Any portion of tuition and fees that is not covered by financial aid must either be paid prior to the first class meeting or be paid through a payment arrangement with the Business Office.

Auditors: All fees are due and payable in full prior to the first class. An auditor’s registration is not processed, his/her name does not appear on the class list and he/she is not permitted to attend class until full payment is received.

Matriculated and Special Students: Students who are unable to pay the full tuition and fees prior to the first class must contact the Business Office well in advance of the first class meeting to make payment arrangements. A minimum of 25% of the semester’s charges is required at the time the payment plan is established. Students who have not paid or made payment arrangements are dropped from the class list before the second class.

BTS does accept all credit cards.

OUTSIDE SOURCES OF FINANCIAL AID

Some students receive scholarships, grants or other types of financial assistance from outside sources. If you are the recipient of such an award, it must be reported to the Office of Admissions and Financial Aid. Such assistance is considered as part of your financial aid package.

UPDATING INFORMATION

It is your responsibility to update household size and the number in your household enrolled in post-secondary education if either of these changes at any time during the award year except as a result of marital status.

SATISFACTORY ACADEMIC PROGRESS

The Higher Education Amendment of 1976 requires all institutions participating in Federal Student Aid Programs to define and enforce standards for Satisfactory Academic Progress. A copy of Bangor Seminary's Satisfactory Academic Progress can be found in the Student Guide.
BTS reserves the right to review and alter its financial aid commitment to any student who either fails to maintain satisfactory progress toward a degree or who is placed on academic probation. Such students are placed on financial aid probation for one semester. Financial aid is suspended at the end of this period if the situation has not been corrected. A student whose aid has been suspended may reapply for financial aid once it has been determined that he or she has met eligibility requirements.

**Leave of Absence (LOA)**
Students may take a leave of absence, with approval of the Academic Dean, for no more than 180 days (and no more than one leave in a 12-month period) and maintain in-school status.

Failure to return from leave means the student is considered withdrawn for aid purposes and the appropriate measures will be taken (for instance, a loan may go into repayment).

**REFUND POLICIES**
To obtain a refund, a student must first complete an official withdrawal or add/drop slip and submit it to the Registrar. When the Business Office receives notification from the Registrar that a student has withdrawn, a refund calculation is performed.

**Seminary Refund Policy**
Tuition refunds under the Seminary’s refund policy are calculated according to the following schedule after an official withdrawal is obtained from the Registrar:

- After 1st class - 100% refunded
- After 2nd class - 80% refunded
- After 3rd class - 60% refunded
- After 4th class - 40% refunded
- After 5th class - 20% refunded
- After 6th class - no refund

There is no refund of audit fees. In the case of courses that do not last the full duration of a semester, refunds are prorated in accordance with the above policy.

**Federal Refund Policy (Return to Title IV)**
As required by federal law, when a student withdraws from school while a semester is in progress, the Financial Aid office will perform the appropriate refund calculation. See the Student Guide for the full refund policy.