


Financial Aid Handbook

Financial Aid Year
July 1, 2010 - June 30, 2011

I hereby certify the contents of this handbook are true and accurate
at the time of publication.

A handwritten signature in black ink, appearing to read "Dana D. Schmitz". The signature is written in a cursive style with a large, stylized initial "D".

Dana D. Schmitz, M.Ed. R.T.(R)
Program Director

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Introduction

This section is designed to help you with the financial aid process. In addition, all accepted students will be provided with a current copy of *Funding Education Beyond High School: The Guide to Federal Student Aid*. This publication is free of charge and is published by the Federal Student Aid division of the US Department of Education. Students are highly encouraged to read this literature as it contains many important facets of the financial aid process. Additional information regarding financial aid may be found at these websites:
<http://studentaid.ed.gov/PORTALSWebApp/students/english/index.jsp>
<http://ifap.ed.gov/ifap/index.jsp>.

The Mercy/St. Luke's School of Radiologic Technology (MStL) Financial Aid Office, in accordance with the Iowa Code of Conduct, will be student focused and our office environment will be distinguished by providing efficient and effective service. In all areas of our fund distribution, we shall be fair, honest and efficient. We focus on assisting in the establishment of aid eligibility, awarding grants, and loans to eligible students, and providing financial aid counseling to students and families for the resolution of problems associated with financing an education. We serve as the primary advocate for students and families, assisting them in securing necessary financial resources.

Mercy/St. Luke's has partnered with Weber & Associates, Inc., a third party servicer, to automate the processing of federal financial aid applications and disbursements. The online system used is called the **Virtual Financial Aid Office**, or VFAO, and it draws on a company whose sole capability and responsibility is to provide federal financial aid services to higher education students. Weber & Associates, Inc. will be referred to as WA Inc. from here forward in this document.

You must use the VFAO system to receive financial aid while at MStL. In order to use the system, you must have a valid and reliable e-mail account. You may use either of your hospital e-mails once accepted at MStL, but beware there may be some issues with the content filters the hospitals have in place. You should also be sure to add the VFAO website to your "allowed" list in your e-mail so their messages to you are not filtered as spam or junk mail. You should direct any financial aid questions to WA Inc. through the VFAO system using the "Contact Us" function, or simply e-mailing our representative once you have received her e-mail address. Instructions for use of this website are provided throughout this section.

Types of Financial Aid Available

Financial assistance for eligible students attending MStL is available in the form of Pell Grants and Direct Loans. Students' parents may also apply for a PLUS loan. Each of these will be discussed in greater detail throughout this handbook.

Private scholarships may also be available and students are encouraged to search for these types of gift aid. If you are receiving veterans' benefits and no other federal financial aid, you do **not** have to use VFAO. You must contact the Mercy/St. Luke's Program Director directly to process veteran's education benefits.

Contact Information

The Program Director serves as the Financial Aid Administrator (FAA) and provides information services and counseling for students. Individual assistance is available on a drop-in basis and by appointment. Students are encouraged to communicate frequently with the FAA and WA Inc. with specific financial aid questions. Please contact the FAA with any questions or concerns that you have regarding the financial aid process. Complete written policies and procedures may be obtained by contacting the FAA.

Financial Aid Administrator

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Eligibility Requirements

In order to be eligible for any type of federal financial aid you must:

- ✓ Be accepted to and enrolled full-time at Mercy/St. Luke's School of Radiologic Technology.
- ✓ Make **Satisfactory Academic Progress (SAP)**.
- ✓ Hold United States citizenship.
- ✓ Provide all requested documentation. Your financial aid application cannot be processed without necessary documents.
- ✓ Not be in default on a federal student loan or owe a repayment on a federal grant at any institution or the U.S. Department of Education.
- ✓ Register with selective service (if male).
- ✓ Have a valid Social Security Number.

Additionally, it is imperative that you contact the FAA with any name, address, or other contact information changes as soon as possible. Students should be aware that drug/alcohol convictions, among other things, will jeopardize financial aid eligibility.

Applying for Aid

To apply for financial aid, you must complete a Free Application for Federal Student Aid (FAFSA). The FAFSA may be filed online at <http://www.fafsa.ed.gov>. The advantages to electronically filing your FAFSA include a faster processing

time and interactive editing of your answers to lessen the chance of your application being rejected. Before attempting to complete the FAFSA, you will need to have a Federal PIN number. This may be obtained at www.pin.ed.gov and allows you to sign your application electronically. You will also use this PIN number to renew your FAFSA during the second year of the program. Parents of dependent students will also need a Federal PIN so that they too can sign the FAFSA online. If a Parent PLUS loan is taken, the parent will need a Federal PIN for this as well.

You should complete the FAFSA as soon as possible after tax returns are filed from the prior year (after January 1) to receive optimum consideration for financial aid resources. Please be sure to list Mercy/St. Luke's School of Radiologic Technology in the school code section. **The federal school code is 014918.** Please note the program name may be listed as "St. Luke's Methodist Hospital School of Radiologic Technology" on some department of Education websites. For more general information regarding financial aid, visit the following websites: <http://studentaid.ed.gov/PORTALSWebApp/students/english/index.jsp> and <http://ifap.ed.gov/ifap/index.jsp>.

Remember that your FAFSA is a snapshot of your status as of the date you complete the application. If you make a mistake, a correction may be made only to correct the error, not to update or add new information.

The VFAO Interview Process

Once you have completed the FAFSA and have been accepted to the MStL program, you will complete an interview on the VFAO website. Follow these steps:

1. Go to <https://mercystlukes.vfao.com>
2. Log in with your username and password or click on "Register Now" to register as a new user and create an account. ***Please remember or write down your log in information.***
3. Follow the link to the "**Student Interview Center.**" You will need your Expected Family Contribution (EFC) from your FAFSA during the interview. Refer to the FAQ's in the right-hand column for tips and instructions as you go. Here are a few tips for the Interview:
 - a. At the "Terms of Attendance" page, check **all three terms listed.**
 - b. At the "Financial and Enrollment" page, check "**Full-time**" for attendance status. When it asks your grade level, if you are in your first year at MStL, you will mark "Freshman" and if you are in your second year at MStL, you will mark "Sophomore".
 - c. Also in the "Financial and Enrollment" page, if you want to be considered for Direct Loans, you must enter an amount in the section labeled "Loan Amount Requested". If you want to consider

the maximum amount of loan money available to you, simply select "\$999,999". If you would prefer a specific amount of loan money, you may enter that as well. Remember, you will always have the opportunity to deny any/all loan money for which you are deemed eligible, prior to disbursement. If this is the first time you are requesting loans, remember you must complete an electronic Master Promissory Note (MPN). See the section titled **William D. Ford Federal Direct Loan Program** on page 6 for instructions.

- d. When you come to the question that asks if you or one of your parents is employed at the school, you may mark no, even if you do work part time at either hospital outside of school.
4. During the interview, you will receive a **Detailed Financial Plan**. *This is an estimate of anticipated aid only.* The Financial Plan automatically quotes loan amounts for *independent* student. See page 7 of this Handbook for maximum loan eligibility.
5. **Click "Done"** to submit the application.

We recommend you print a copy of your interview for your records before submission. After you submit your interview, you will receive an e-mail confirmation from WA Inc., and your information will be reviewed for accuracy and completeness. If you are not selected for verification (see following section), your enrollment at MStL will be confirmed. If everything is in order, your federal aid will be scheduled for payment. You will then receive a Student Aid Report which indicates the types of aid, amount of aid, and estimated dates of disbursement. All aid will be sent to MStL by electronic transfer, and you will be notified. After your awards have been scheduled, you may view your Student Aid Report at any time by returning to the VFAO website, clicking on "Interview", then "Submitted Interviews", then opening your award report by clicking on it.

Important Note: During this process, it is imperative that you have access to communicate with the representative at WA Inc. It is suggested that once you set up a log in for the VFAO site, that you "test" your e-mail communication with WA Inc. by using the "Contact Us" button on the site to send a test message asking them for a reply to your e-mail account. This will assure that future correspondence from them will be delivered to your e-mail account.

You will be required to re-file a FAFSA and complete a VFAO interview for **each academic year**. You will find specific instructions on filling out a FAFSA for subsequent years in the *Funding Education Beyond High School* publication.

Completing Your File & Verification

Many students are required to complete a process called verification on receipt of the results of their FAFSA each year. Students are randomly selected for verification by the Department of Education, and then WA Inc. performs the

verification. Students will be advised as to which types of documentation must be submitted to WA Inc. in order to meet verification requirements. Please note that verification does not indicate that anything is “wrong” in the process. Many students from all colleges are selected for verification each year. This request for information will come from WA Inc. and may include some or all of the following:

- ✓ Verification Worksheets
- ✓ Asset Value Worksheets
- ✓ Drug Worksheets
- ✓ Signed federal income tax return for the applicant and/or spouse
- ✓ Signed federal income tax return of the applicant’s parents if the student is considered dependent for financial aid purposes

Applicants should be aware that, until all required documentation has been received and accepted by WA Inc., no Title IV (federal financial aid) money will be offered or disbursed. This documentation must be submitted within fourteen days of request or by the end of the academic year, whichever comes first. The information may be faxed to WA Inc. or it may be scanned and e-mailed to them. If students would like the FAA to assist in transferring these documents to WA Inc., this can be arranged.

All students will be notified by e-mail regarding what is needed to complete their file. Once again, no aid will be offered until all requested documents are returned to WA Inc..

Need Determination

Once your student file is complete, it is time to determine your eligibility for financial aid. The process of determining your eligibility for financial aid, commonly referred to as *need analysis*, has been legislated by the U.S. Congress using the information contained in the FAFSA. If the need analysis shows that the cost of education exceeds the amount you and your family can contribute, you will qualify for financial aid based on need. Non-need-based loans are also available.

Cost of Attendance

A standardized set of budgets is used as the basis for determining the Cost of Attendance (COA). The budgets vary based on your living arrangements while in school, living with parents or not living with family. The COA is an estimate of what it will cost to attend Mercy/St. Luke’s School of Radiologic Technology. In determining this amount, both direct costs (those due to Mercy/St. Luke’s School of Radiologic Technology) and indirect costs (additional expenses not directly due to Mercy/St. Luke’s School of Radiologic Technology) are used. Included in the total are the following categories: tuition, books, uniforms, personal/miscellaneous expenses, and transportation. Please keep in mind that this is an estimate and you should develop your own personal budget/cost of

attendance. Periodically a financial aid survey is conducted in order to keep the indirect costs as accurate as possible.

Expected Family Contribution (EFC)

Your **Expected Family Contribution (EFC)** reflects the ability of you and your family to contribute to the cost of attendance. The calculations used to determine the EFC are based on the federally mandated formula known as federal methodology. The formula uses the information you supplied on your Free Application for Federal Student Aid (FAFSA). If you filed your FAFSA electronically, this figure was previously provided to you.

The following equation is used in determining financial aid eligibility: Cost of Attendance (COA) - Estimated Family Contribution (EFC) = **Financial Need**

Types of Aid

Once your financial need is determined, based on the need analysis, your resulting financial aid eligibility can be covered by different types of awards explained here. You will be notified of your eligibility for Pell Grants and Direct Loans automatically after your financial aid file is complete. If you did not complete the section of the VFAO Interview regarding "Loan Amount Requested", you may log back into the VFAO website, click on "Additional Forms", and complete the "Additional Funds Form".

Federal Pell Grants

The Pell Grant Program provides gift funds to eligible students who have not yet earned their first bachelor's degree. Pell grants do not have to be repaid. For 2010-2011, the maximum Pell Grant award is \$5,550.00 per year and the minimum is \$1176. The maximum Pell eligible EFC is \$5273. This amount may be adjusted annually by the federal government. Students who file the FAFSA are automatically considered for Pell Grants and the award amount for any student is determined by information the student provided on the FAFSA form. For more information visit the following website:

<http://studentaid.ed.gov/PORTALSWebApp/students/english/PellGrants.jsp?tab=funding>

William D. Ford Federal Direct Loan Program

The Federal Direct Loan Program consists of low-interest subsidized and unsubsidized loans financed by the Department of Education. Each of these types of Direct Loans is discussed further in the following section. If you wish to apply for Direct Loans, you must complete the FAFSA and a Master Promissory Note (MPN). The MPN serves as the "application", for Direct Loans. The MPN may be completed online at

<https://dlenote.ed.gov/empn/index.jsp>. Keep in mind that MStL may be listed as "St. Luke's Methodist Hospital School of Radiologic Technology" on this website. The number associated with our school is "G04233".

If you have completed a MPN within the last ten (10) years, you do not need to complete another one. If you have an MPN on file and want to apply for Direct Loans, you need to indicate this during the VFAO interview. See the section titled "VFAO Interview Process" on page 3 for instructions.

If students are eligible for Direct Loans, indicate their interest, and then choose not to take the loan, they must notify the FAA or WA Inc. prior to the disbursement date of the loan (within 14 days of award notification). For more information regarding Direct Loans, visit the following website: <http://www.ed.gov/offices/OSFAP/DirectLoan/index.html>.

Subsidized Federal Direct Loans are awarded to students with financial need. Interest is paid **by the government** until six months after you leave school or drop below half-time enrollment status. For current interest rates, visit the following website: <http://www.ed.gov/offices/OSFAP/DirectLoan/student.html>.

Unsubsidized Federal Direct Loans are available to all students regardless of income. Interest accrues **from the date of disbursement**, but the extra costs of accrual can be avoided by making regular interest payments while you are in school. Current interest rates for unsubsidized Direct Loans may be found at <http://www.ed.gov/offices/OSFAP/DirectLoan/student.html>.

Annual Limits for Direct Loans

**Please note: At MStL, we use the terms "Junior" and "Senior" students to indicate whether you are in your first or second year of the program. The federal government uses the term "Freshman" to indicate your first year and the term "Sophomore" to indicate your second year.*

| <i>Dependent Students</i> | <i>Subsidized Amt</i> | <i>Unsubsidized Amt</i> |
|-----------------------------|-----------------------|-------------------------|
| Freshman | \$3,500 | \$2,000 |
| Sophomore | \$4,500 | \$2,000 |
| <i>Independent Students</i> | <i>Subsidized Amt</i> | <i>Unsubsidized Amt</i> |
| Freshman | \$3,500 | \$6,000 |
| Sophomore | \$4,500 | \$6,000 |

Aggregate Loan Limits for Direct Loans

Undergraduate Dependent Students (excluding those whose parents are unable to borrow a PLUS Loan): \$31,000 (no more than \$23,000 is

subsidized)

Undergraduate Independent Students and undergraduate dependent students whose parents are unable to borrow a PLUS loan: \$57,500 (no more than \$23,000 is subsidized)

Subsidized and Unsubsidized Stafford Loans can be combined as long as the maximum annual and aggregate limits for the Loan Program have not been exceeded. Maximum combined funding is based on grade level and student classification.

Entrance and Exit Counseling

First time Direct Loan borrowers will be required to have proof of Entrance counseling. *All borrowers* will be required to have proof of Exit Counseling shortly before graduation or shortly after termination or withdrawal.

Counseling must be done by visiting

<https://www.dl.ed.gov/borrower/CounselingSessions.do>. Once the counseling quiz is completed by the student, they must print this page and return to the FAA at MStL as proof of completion.

Federal Parent PLUS Loans

Federal PLUS Loans are designed to help parents (or legal guardians) of undergraduate dependent students meet their educational costs. This is a loan that is taken out by the parent of a dependent student, and the parent is responsible for repayment. Parents may borrow up to the cost of education for the academic year, less any other financial aid received. To qualify for the PLUS loan, parents must have a satisfactory credit history.

There is no grace period for repayment, so the parent must begin repayment 60 days after the loan is fully disbursed. The parent can apply for an in-school deferment through the Department of Education that will defer repayment until their son/daughter graduates or drops below half-time.

The parent borrower must apply for a PLUS Loan. The application is inherent when parents complete a Master Promissory Note (MPN), which can be completed electronically at <https://dlenote.ed.gov/>. For complete information regarding Parent PLUS Loans, visit the following website: <http://www.ed.gov/offices/OSFAP/DirectLoan/parent.html>.

Private Loans

Private loans are not awarded as part of the original aid package but can be initiated by the student in the event that the award package does not provide enough funds to cover their educational costs. Please be careful when you are choosing what loan is right for you. **Students should be sure they have used all federal options before choosing one of these loans.** The total of all aid,

including private loans, can not exceed the student's yearly budget. These loans are sponsored by banks and private lending institutions. Currently, private loans have very high interest rates and do not provide as many benefits compared to Federal loans. The interest rates and repayment schedules vary.

Outside Awards

An outside award is any grant, scholarship, or loan not awarded through the Mercy/St. Luke's School of Radiologic Technology Financial Aid Office. Students are expected to notify the Financial Aid Office about any expected award from an outside source. All outside awards are considered when figuring the federal aid package. In the event of a significant outside award, or if the award raises the aid total over the amount of the cost of attendance, your existing awards may be adjusted. This may reduce the amount of federal aid you are eligible for. We try to reduce the loans first, but each person's awards must be reviewed to determine the appropriate necessary action.

Examples of Outside Awards:

- ✓ Veteran's Benefits
- ✓ Outside Scholarships (church, work, local clubs, etc.)
- ✓ Vocational Rehab
- ✓ Any other tuition assistance programs

Award Letter

Once your file has been completed and all paperwork that has been requested has been received, an award letter will be sent to you that will show all aid for which you qualify based on the results of the FAFSA and the VFAO Interview. If you provided an e-mail address when you completed the FAFSA, you will receive your notice in this manner. Additionally, students may return to the VFAO website periodically and check to see if their aid has been calculated. You may view your award report at any time by returning to the VFAO website, clicking on "Interview", then "Submitted Interviews", and opening your award report by clicking on it.

What should you do when you receive your financial aid award letter?

- ✓ Read your letter along with the contents of this handbook and *Funding Education Beyond High School: The Guide to Federal Student Aid*. Make sure you understand the terms of the awards offered.
- ✓ Consider the amount of debt you may incur. Review Loan Debt below.
- ✓ Indicate your acceptance, declination, or reduction of the loans offered to you. This process will be discussed shortly.
- ✓ If you accept a loan and you are a first year student, make sure you have completed the Master Promissory Note and Entrance Counseling.
- ✓ Notify the Financial Aid Office of any outside aid/scholarships you are awarded. Please review Outside Awards above for possible suggestions.

- ✓ If the awards offered on your letter are not enough to cover your budget and you need additional assistance, please review “When Aid Does Not Cover Expenses” below.

Receiving Your Financial Aid Assistance

Once your aid has been processed, funds will be disbursed according to the following estimated disbursement dates, after registration and class attendance can be confirmed. We currently have estimated disbursement dates of July 10, October 10, and January 10 of each academic year.

Prior to each disbursement date, a form titled ***“Award Notification, Notification of Disbursement, Authorization for Title IV Funds”*** will be distributed by the FAA to each student scheduled to receive financial aid monies. This form will apprise the student of the anticipated disbursement date and the type and amount of each award scheduled. Each student will be offered the opportunity to decline any schedule loans at this time by indicating such on the form. Additionally, the student will be asked to select a choice regarding their preference for disbursement of any remaining aid once incurred expenses for tuition and educationally related expenses are covered by their award money. If the student chooses to have any remaining balance of aid money paid to them in the form of a check after tuition and other expenses are covered, they must indicate this on the authorization form. This form will be completed again for each disbursement date.

Once the financial aid money is drawn down by WA Inc. into the St. Luke’s Federal Funds bank account, the money will be credited into each student’s XT account (student account). All tuition and educationally related expenses owed by the student will be paid from the financial aid money. If there is a credit balance and the student chooses to have the money paid to them, the Fiscal Services Specialist will prepare a Check Request. This Check Request is then sent to the Business Office for payment. Once the checks are prepared, the FAA will release the check to the student.

If a student’s parents have a PLUS loan, the parent must authorize the FAA in writing of their authorization to release the monies directly to the student.

Please note the anticipated disbursement date is simply an estimate of the date the funds are sent electronically to St. Luke’s. The transfer does not always happen exactly on that date. Additionally, even though this is an electronic transfer, this transaction routinely takes at least three (3) business days. The preparation of the Check Request and the checks typically takes three to five additional business days. *If you are receiving a loan for the first time from any institution, Federal Government regulations require that your loans NOT be*

disbursed until 30 days has elapsed into your first semester at Mercy/St. Luke's School of Radiologic Technology.

Student's Responsibility to Keep Aid

In order to continue to receive your aid for future semesters you will need to be making Satisfactory Academic Progress (SAP) at the end of each semester. Please review the following Satisfactory Academic Progress Policy, making sure you understand your responsibilities as a financial aid recipient. Please contact the Financial Aid Office if you have any questions.

Satisfactory Academic Progress (SAP) Policies and Procedures

To remain eligible to receive *any* and *all* of your financial aid:

- ✓ You must maintain a 2.5 semester GPA, as well as a 2.5 cumulative (overall) GPA, ***and***
- ✓ You must receive a passing grade (C or above) in 100% of courses each semester. Students are evaluated for SAP at the completion of each semester.

Failure to maintain both of these requirements will place you on Satisfactory Academic Progress (SAP) **Probation** for the following semester. You can receive aid while on SAP **Probation**, but you've been warned you're at risk for losing your eligibility for all Financial Aid.

Failure to maintain both of these requirements for two consecutive semesters will result in **termination** from the program as well as **Satisfactory Academic Progress (SAP) TERMINATION for the following semester(s)**. You will receive *no financial aid* for any future semesters until you've acquired the above SAP academic requirements. If you have extenuating circumstances, you may appeal this decision. Please see Appeals below.

To remain eligible for financial aid, students must complete the MStL program within 36 months (150% of the traditional program length). This means if a student withdraws or is dismissed from the program prior to completion, and they are re-admitted according to published admission policies, they may take no more than 12 months off from the program before returning. Upon return, the student must return to the program full-time, and repeat any courses for which they earned a failing grade or incomplete grade prior to their withdrawal.

Students may not withdraw from individual courses while in the MStL program. Therefore, if a student withdraws from the full-time program, they are no longer eligible for financial aid at MStL.

- ✓ Grades of D and F are counted in computing students' cumulative GPA and as attempted credits but not as completed credits.
- ✓ For repeated coursework, the grade and the credits for the most recently

- attempted course will be counted for SAP purposes.
- ✓ Students are notified in writing within two (2) weeks of completion of each semester if they have failed to successfully complete the semester.

Appeals

Appeals must be filed in writing to the FAA within one (1) week of notification of failure to progress in the program. Appeals are handled on a case-by-case basis and will require sufficient tangible documentation only in writing from a third-party, supporting and justifying an extenuating highly unusual circumstance(s) that significantly contributed to an adverse academic performance during **both** of the preceding terms. Furthermore, you must explain in writing the situation that caused the academic difficulties, explain why it was outside of your control, provide documentation, and explain why that extenuating factor is no longer present and is no longer likely to cause an academic problem. This process may also require a personal interview with the FAA.

Successful appeals allowing another term of probation eligibility are entirely at the discretion and professional judgment of the FAA. The decision to hear and review this initial appeal's finding is solely at the discretion of the FAA. Allow two (2) weeks for a decision on all SAP Appeals.

Effects of Withdrawing

If a student withdraws or is dismissed from Mercy/St. Luke's School of Radiologic Technology prior to completing 60% of the semester, the Higher Education amendments of 1998, Public Law 105-244, requires any federal Title IV financial aid received to be returned or repaid in accordance with federal policies.

Students will be notified if they are required to repay federal funds (grants and/or loans). Failure to repay or make satisfactory payment arrangements will result in becoming ineligible to receive Federal Title IV funds at any institution.

In addition, Mercy/St. Luke's School of Radiologic Technology is required to return any unearned portion of Title IV funds that have been used to pay tuition. Any outstanding balance resulting from such a return of funds will be the responsibility of the student. Repayment arrangements must be made with the St. Luke's Hospital Finance Office.

Special Circumstances

If your or your parents' financial situation changes after you have filed the FAFSA, or at any time during the academic year, you should contact the Financial Aid Office for an Income Appeal Form. You will need to complete the Income Appeal Form and return it to the Financial Aid Office with supporting documentation. Changes in your financial situation include, but are not limited

to loss of employment, disability, illness, separation, divorce, or death.

Loan Debt

The good news is that loans are available to help most students pay for their education. But the amount of debt you will incur to attend Mercy/St. Luke's School of Radiologic Technology and any other institution you attend should be carefully considered. It's a simple statement but true: **loans must be repaid**. Current credit card debt, as well as undergraduate loans, should be taken into consideration. Before committing to loans, students need to understand the impact they will have in the future. You can review your federal loan debt by accessing the National Student Loan Database at http://www.nslds.ed.gov/nslds_SA/.

In addition, the Federal Direct Loan Program has a tool for calculating loan repayment and explains the various repayment plans. See <http://www.direct.ed.gov/calc.html>. The Federal Direct Loan Program repayment options are flexible, but the longer the repayment schedule, the more interest will accrue and the greater the total amount to be repaid.

Loan Pre-payments

Both federal and private loans can be pre-paid, in part or in full, at any time without penalty. Prepaying the interest or even the principal can lower the interest over the life of the loan.

Deferments for Prior Education Loans

Students who are attending Mercy/St. Luke's School of Radiologic Technology full-time are usually eligible to have any prior education loans put into deferment to stop payments (and interest charges on subsidized loans). Please consult with your individual lender. If you are eligible for a deferment, please submit your deferment form to the FAA. A deferment can not be completed until the student has officially registered. Once completed, the FAA will mail your form directly to the lender, and a copy will be placed in your file. Be aware that deferment policies can vary between lenders and new forms may be required each year of enrollment. Remember to follow up with your lender to see if all requirements have been met.

When Aid Does Not Cover Expenses

Mercy/St. Luke's School of Radiologic Technology Financial Aid Office awards aid based on both the student's need and our resources. In some cases, we may not be able to meet the full need of a student with federal loans and grants.

Because the disbursement method for financial aid is a relatively smooth process, it is easy to lose track of the debt you will incur (see Loan Debt above).

Eliminating even small expenses can save you money. When planning your living expenses, don't assume you need the full amount of the budget in your pocket.

Plan your living expenses carefully. You may be able to live for less than the budgeted amount.

A good way to begin is to list every monthly expense you have and multiply the amount over a twelve-month period. This may be easier once you have settled in at Mercy/St. Luke's School of Radiologic Technology. Itemizing your expenses in this way can help you to see where you can cut costs. The Federal Direct Loan website includes a budget calculator at <http://www.direct.ed.gov/calc.html> that may help you figure not only your expenses but also possible areas in which you can reduce your spending. Here are some suggestions for lowering your expenses:

- ✓ Live with roommates in order to reduce the amount you pay in rent.
- ✓ Make sure any other loans you may have are in deferment while you are in school at MStL. Most education loans offer in-school deferment.
- ✓ Pay interest monthly when it accrues on unsubsidized loans and/or private loans whenever possible.
- ✓ When relatives are looking for birthday or holiday gift ideas, suggest tuition payments, loan payments, movie passes, or gift certificates to stores where you may regularly spend money.
- ✓ Compile a "wish list" and keep it handy.
- ✓ Pay with cash or your debit card. Avoid using credit cards whenever possible.
- ✓ Use savings or cash in stocks/investments or family assistance.
- ✓ Research outside award options. See Outside Awards above.
- ✓ Consider borrowing private loans. See Types of Aid above.
- ✓ If you are a dependent student, consider a Federal Direct PLUS Loan. See Types of Aid above.

Credit Cards

Whenever possible, stop using credit cards and pay down as much of the balance as you can before you enter school. Credit card payments are not factored into your budget. If you find yourself using your credit card frequently for school supplies, reconsider educational loan options since they probably have lower rates and defer payment.

Common Loan Terms

- ✓ ***Grace Period***-The time between the end of your enrollment and the beginning of repayment.
- ✓ ***Deferment/Forbearance***-A temporary suspension of payments. Consult your lender for criteria and application. Once you graduate, a deferment or forbearance may only be used after the grace period has been exhausted.
- ✓ ***Capitalization***-The point at which loan interest is added to the principal of the federal loans.
- ✓ ***National Student Loan Data System***-All student loans are reported to this system and will be accessible by guaranty agencies, lenders, and institutions determined to be authorized users of the data system.

Code of Conduct Summary

Iowa Code Section 261E.2 and Sections 487(a) (25) and 487(e) of the Higher Education Act of 1965, as amended, require the development, administration, and enforcement of a code of conduct governing educational loan activities. Officers, employees, trustees, and agents, including the alumni association, booster club, and other organizations associated with Mercy/St. Luke's School of Radiologic Technology agree to the provisions of this Code of Conduct and will refrain from:

- ✓ Denying a Federal Family Education Loan Program (FFELP) borrower his or her choice of a FFELP lender or guarantor. Loans issued under the FFELP are the federal Stafford, parent PLUS, Grad PLUS, and Consolidation loans. *Please note: At this time, MStL does not participate in the FFELP.*
- ✓ Packaging private educational loans in a student's financial aid award, except under certain conditions. Please see "Bundling of Private Loans" on page 10 of the Code of Conduct.
- ✓ Accepting impermissible gifts, goods, or services from a lender, lender servicer, or guarantor. Mercy/St. Luke's School of Radiologic Technology may accept certain services (Loan Counseling, Code of Conduct, page 11), materials (Publications, Code of Conduct, page 15), or other items of a nominal value (Gifts, Code of Conduct, page 6).
- ✓ Accepting philanthropic contributions from a lender, lender servicer, or guarantor that are related to the educational loans provided by the lender, lender servicer, or guarantor.
- ✓ Serving on or otherwise participating as a member of an advisory council for a lender, lender affiliate, or lender servicer.
- ✓ Accepting from a lender or its affiliate any fee, payment, or other financial benefit as compensation for any type of consulting arrangement or other contract to provide education loan-related services to or on behalf of the lender.
- ✓ Accepting fees or other benefits in exchange for endorsing a lender or the lender's loan products.
- ✓ Requesting or accepting competitive rates on private educational loans in exchange for a specified amount of loan activity or in exchange for endorsing the lender's FFELP loans.

Mercy/St. Luke's School of Radiologic Technology is committed to providing the information and resources necessary to help every student achieve educational success. To accomplish this goal the financial aid staff will consider each student's individual needs.

A comprehensive Code of Conduct detailing permissible and impermissible activities has been provided to all Mercy/St. Luke's School of Radiologic Technology officers, employees, and agents affiliated with this program and may be reviewed on our websites, by clicking on either of these links; <http://www.mercycare.org/img/marketing/MStL%20Code%20of%20Conduct%2009-10.pdf> or <http://www.stlukescr.org/documents/RadTech/Code%20of%20Conduct.pdf>.