



# Financial Aid Guide





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## Financial Aid Tuition Management Option

### Financial Aid Payment Option

The Financial Aid payment option is available at most University of Phoenix locations for you if you are enrolled in an eligible degree or certificate program. All students seeking federal financial aid benefits, which include federal student loans and grants, must be admitted to a financial aid-eligible degree or certificate program in order to determine financial aid eligibility. University of Phoenix does not charge for processing financial aid.

In order to be eligible for tuition deferment under the Financial Aid Plan, at least 50% of your annual tuition must be funded through federal financial aid benefits and you must have met the following requirements:

- Completed a financial aid orientation or received a welcome call from your financial representative
- Completed the Entrance Interview Form
- Completed all required financial aid forms
- Submitted additional materials requested by your financial representative or the University of Phoenix Financial Aid Processing Center and received eligibility confirmation from the U.S. Department of Education
- Completed the Admissions Application
- Paid all applicable fees prior to your first class meeting

If you are unable to qualify for student financial aid, you will be immediately responsible for any outstanding balance and you will be required to comply with the terms and conditions of the Cash Plan.

Also, student delays in processing paperwork and resolving issues may impact your tuition deferment. Please refer to the “Pitfalls to Avoid” section in the Financial Aid Process and Terms Section in this guide for tips on how to process your financial aid more efficiently.

You must reapply for funding every academic year. You should complete the reapplication process at least 60 days before the end of your academic year. It is critical that you reapply for future loans or grants early to ensure that your educational program is not interrupted. If you do not reapply for financial aid in a timely manner, you may no longer qualify for a financial

aid tuition deferment and you will be required to comply with the terms and conditions of the Cash Plan.

The University offers a quick and easy online application process to apply for financial aid. The online application allows you to complete and electronically sign required student financial aid documents, to include the Free Application for Federal Student Aid (FASFA). Please visit our Financial Aid website at [faw.phoenix.edu](http://faw.phoenix.edu) when you are ready to reapply for the next aid year.

If you receive financial aid, it is critical that you maintain continuous enrollment (i.e., no breaks greater than 29 days, or 21 days for students attending a Georgia campus). If you need to change your schedule, you must check with your financial representative prior to your last date of class attendance to see how your financial aid will be affected.

See the Financial Options Guide or your financial representative for more information about tuition deferment restrictions under the Financial Aid Plan.

## Types of Aid Available

### Types of Aid

Students may be eligible for the following types of aid:

#### Federal Pell Grant

Federal Pell Grants are awarded to undergraduate students who have not earned a bachelor's or professional degree. Pell Grants provide a foundation of financial aid to which other aid may be added. To determine if you are eligible financially, the U.S. Department of Education uses a standard formula established by Congress to evaluate the information you report when you apply. The formula produces an Expected Family Contribution (EFC). The amount of Federal Pell Grant you receive depends on your EFC and your Cost of Attendance at the University.

#### Academic Competitiveness Grant (ACG)

ACG is available for first academic year students who graduated from high school after January 1, 2006 and second academic year students who graduated from high school after January 1, 2005.

The Academic Competitiveness Grant provides up to \$750 for the first year of undergraduate study and up to \$1,300 for the

second year of undergraduate study to students who are U.S. citizens, eligible for a Federal Pell Grant, and who have successfully completed a rigorous high school program, as determined by the state or local education agency and recognized by the Secretary of Education. Second-year students must also have maintained a cumulative grade point average (GPA) of at least 3.0.

The U.S. Department of Education will notify each federal student aid applicant who is potentially eligible for an ACG based on information the applicant provides on his or her 2008-09 Free Application for Federal Student Aid (FAFSA). Further information and final eligibility status will be forwarded to you from University of Phoenix.

### **National Science and Mathematics Access to Retain Talent (SMART) Grant**

A National SMART Grant will provide up to \$4,000 for each of the third and fourth years of undergraduate study to students who are U.S. citizens, eligible for a Federal Pell Grant, and majoring in physical, life or computer sciences, mathematics, technology, engineering or a foreign language determined critical to national security. The U.S. Department of Education will publish a list of eligible majors using the Classification of Instruction Program codes developed by the National Center for Education Statistics. The student must also have maintained a cumulative GPA of at least 3.0 in coursework required for the major. Further information and final eligibility status will be forwarded to you from University of Phoenix.

### **Federal Supplemental Education Opportunity Grant**

A Federal Supplemental Education Opportunity Grant (FSEOG) is for undergraduates with exceptional financial need, which is defined as students with the lowest Expected Family Contributions (EFCs) and remaining need after other resources used toward educational costs are considered. This federal program gives priority to students who receive Federal Pell Grants. Please note that the U.S. Department of Education guarantees that each participating institution will receive enough money to pay the Federal Pell Grants to eligible students. However, there is no guarantee that every eligible student will receive an FSEOG award; students will be awarded FSEOG based on the availability of funds at the University.

### **Federal Subsidized Stafford Loan**

This is a low interest, need-based federal loan made by a private lender that is not credit-based. The Federal Government pays the interest on the loan while the student is enrolled in school. Repayment on the loan begins six months after the date the student ceases enrollment. The loan may be paid back to the lender over the course of up to 10 years. Both graduate and undergraduate students may apply for this loan.

### **Federal Unsubsidized Stafford Loan**

This is a low interest, non-need based federal loan made by a private lender that is not credit-based. The student has the option to defer payment on the loan and interest while enrolled in school; however, interest accrues while the student is in school. The loan may be paid back to the lender over the course of up to 10 years. A dependent student may be eligible to borrow up to the annual limit of an unsubsidized loan if the parent is unable to obtain a PLUS loan. Both graduate and undergraduate students may apply for this loan.

### **Federal PLUS Loan**

This is a low interest non-need based federal loan made by a private lender that is credit-based. The borrower on this loan is the parent(s) of a dependent student. The lender determines credit worthiness. Repayment begins 60 days from the date the loan is fully disbursed by the lender. The parent has the option to defer payment on the loan and interest while the student is enrolled in school. Repayment on the loan begins six months after the date the student ceases to be enrolled at least half-time. The loan may be paid back to the lender over the course of 10 years.

Graduate students are now eligible to borrow under the PLUS Loan Program up to the cost of attendance minus other estimated financial assistance from the Federal Family Education Loan (FFEL) program. The terms and conditions applicable to the Parent PLUS Loan also apply to Graduate PLUS loans. Applicants are required to complete the FAFSA and are provided with and given the opportunity to request the maximum eligibility under the FFEL Program before applying for a Graduate PLUS loan. Graduate students may be eligible for an in-school deferment.

## Federal Perkins Loan

A Federal Perkins Loan is a low-interest (5%) loan for both undergraduate and graduate students with exceptional financial need. University of Phoenix is the lender for the loan, and the loan must be repaid to the University. The loan is made with government funds with a share contributed by the school.

A Perkins Loan borrower is not charged any fees. However, if a student misses a payment, makes a late payment, or makes less than a full payment, late charges and collection costs will apply. Repayment of the Federal Perkins Loan begins nine months after the date the student ceases enrollment. This is referred to as the "grace period." Additional deferments may apply. Refer to the Federal Perkins Loan promissory note or contact your campus finance counselor. During periods of deferment and the grace period the loan does not accrue interest. The monthly payment amount will depend on the amount of the debt and the length of the repayment period. Forty dollars is the minimum monthly payment.

Based on limited funding, the University can not guarantee that every eligible student will receive a Perkins Loan award.

## State Grants

Each state administers its own student aid programs, which might include grants. Please check with your campus financial aid representative for additional information about the availability of state funded student assistance.

## Advantage Grant

The Advantage Grant is a need-based program made possible by the University of Phoenix Advantage Loan, the University's School as Lender Stafford Loan program, as authorized by the Higher Education Act. After reasonable administrative expenses, proceeds from this program are awarded to University of Phoenix students as need-based grants. Advantage Grant funds are distributed to University of Phoenix campuses based on a fair-share allocation formula. The Advantage Grant is a need-based program with limited funding to assist students with their financial obligation to attend the University.

## Scholarships

Students may be eligible to apply for scholarships through various entities including state, federal, and private agencies. Students are encouraged to research these sources of aid such as through their local library or via the Internet. Additionally the University of Phoenix's Alumni Network offers a scholarship referral program, as well as information regarding other scholarships available through the Alumni Network. For additional information, students may contact the Alumni Network via the website at phoenixalumni.com, or by calling 800.795.2586.

### Maximum Stafford Loan Amounts Available\*

Undergraduate		Graduate	
<b>0 to 23 credits</b> Subsidized \$3,500 Unsubsidized \$6,000 Eligible to apply for maximum of: <b>\$9,500</b> Each Academic Year	<b>24 to 47 credits</b> Subsidized \$4,500 Unsubsidized \$6,000 Eligible to apply for maximum of: <b>\$10,500</b> Each Academic Year	<b>48+ credits</b> Subsidized \$5,500 Unsubsidized \$7,000 Eligible to apply for maximum of: <b>\$12,500</b> Each Academic Year	Subsidized \$8,500 Unsubsidized \$12,000 Eligible to apply for maximum of: <b>\$20,500</b> Each Academic Year

\*If you are transferring to the University, Federal Stafford Loan eligibility is initially assessed based on degree applicable transfer credits as noted above. For continuing students, the University will assess your grade level at the beginning of each academic year based on degree applicable transfer credits and credits completed for your program of study during prior academic years.

# Financial Aid Process and Terms

## How Financial Aid Is Processed

You will need to complete a Free Application for Federal Student Aid (FAFSA) and an institutional application, register for courses, and complete the admission process for the University to determine your eligibility for federal aid. The U.S. Department of Education will electronically notify the University with critical information that will be used to determine your eligibility for the federal programs. The U.S. Department of Education will also notify the University if additional documentation is required from you to process your aid. The University will notify you if additional documents are required to determine your eligibility.

Based on the information you provide when completing the FAFSA, and subsequent documentation and information received from the U.S. Department of Education, the University will determine your eligibility for federal grants. You must complete a Master Promissory Note (MPN) for federal student loans. You should retain a copy of this important document as it lists your rights and responsibilities as a borrower. You may choose to sign only one MPN for all federal loans processed as a student at University of Phoenix, or you may request to complete an MPN on an annual basis. The MPN is effective for multiple academic years and simplifies the annual financial aid application.

The University will first determine if you are eligible to receive Federal grants, to include Pell, ACG, National SMART Grant or Federal Supplemental Educational Opportunity Grant (FSEOG). Your eligibility will be transmitted to the U.S. Department of Education for authorization before funds can be issued. In addition, the University will determine your eligibility to receive federal loan(s) and your loan application will be submitted to the lender of your choice. The lender will perform a review of the application and will make the final determination of eligibility. The Federal Perkins Loan Program determination will be made by the University. For more detailed information on federal student aid visit [studentaid.ed.gov](http://studentaid.ed.gov).

## Student Dependency Status

When you apply for federal student aid, your answers to questions on the FAFSA will determine if you will be considered dependent on your parents or independent. If you are considered dependent, you must report your parents' income

and asset information, as well as your own. If you are independent, you will report only your own income and assets and, if you are married, the income and assets of your spouse. For the 2008-2009 academic year, you are an independent student if at least one of the following applies to you:

- You were born before January 1, 1985.
- You are married as of the day you apply (or separated but not divorced).
- You are or will be enrolled in a master's or doctorate program (beyond a bachelor's degree) at the beginning of the 2008-2009 school year.
- You have children who receive more than half their support from you.
- You have dependents (other than your children or spouse) who live with you and who receive more than half of their support from you and will continue to receive more than half their support from you through June 30, 2009.
- Both of your parents are deceased or you are or were a ward of the court until the age of 18.
- You are currently serving on active duty in the U.S. Armed Forces for purposes other than training.
- You are a veteran of the U.S. Armed Forces (or will be a veteran before June 30, 2009).

The information you report will be used to calculate your Expected Family Contribution (EFC), which is a measure of your family's financial strength and used to determine your eligibility for federal student aid.

## How Financial Aid Is Disbursed

Most federal funds are disbursed directly toward your tuition account by electronic funds transfer.

## Federal Student Loan Funds

Loans are processed for an academic year, which is a minimum of 24 credits and 30 weeks of instructional time. You can reapply for subsequent loans after successfully completing these requirements. The University will disburse your loan in at least two installments, with the first half disbursed at the beginning of the loan period and the second half disbursed after successful completion of half the credits and instructional weeks of the payment period.

## Federal Student Loan Interest Rates

The following interest rates apply for federal student loans disbursed on or after July 1, 2006, which includes new loans for the 2008-09 year:

- 6.00%** Federal Subsidized Stafford Loans for Undergraduate Students
- 6.80%** Federal Unsubsidized Stafford Loans for Undergraduate Students
- 6.80%** Federal Subsidized and Unsubsidized Stafford Loans for Graduate Students
- 8.50%** Federal PLUS Loans for Parents
- 8.50%** Federal PLUS Loans for Graduate Students

For loans disbursed before July 1, 2006, the interest rate is a variable rate, which changes each year. The following rates are effective from July 1, 2008 to June 30, 2009:

- 3.62%** Federal Stafford Loans  
*Charged during an in-school grace or deferment period*
- 4.21%** Federal Stafford Loans  
*Charged during repayment*
- 5.01%** Federal PLUS Loans

Stafford Loans are charged origination fees, which are taken out of the loan proceeds by the lender. For loans disbursed on or after July 1, 2006, and before July 1, 2007, the maximum origination fee that a lender may charge a borrower will be 2%. This fee drops to 1.5% on July 1, 2007, 1% on July 1, 2008 and 0.5% on July 1, 2009. The fee will be eliminated as of July 1, 2010.

Effective for loans guaranteed on or after July 1, 2006, the optional 1% insurance premium fee that guaranty agencies could charge has been eliminated and replaced with a federal default fee equal to 1% of the principal amount of the loan. The default fee will be deducted and collected from the proceeds of the loan.

For more information on Stafford loan terms, please refer to the Borrower's Rights and Responsibilities section of the Federal Stafford Loan Master Promissory Note. Information on Federal Perkins Loan terms are available in the Perkins Promissory Note, which will be provided during the awarding process.

## Federal Student Grant Funds

Federal grant funds are made in two disbursements. Typically, the first occurs at the beginning of the first payment period and the second is made after successful completion of half the credits and instructional weeks of the first payment period. The estimated dates of disbursement and the associated credit requirements will be disclosed to you in an award letter that will be sent when your grant is certified.

## Statement of Educational Purpose

Federal regulations require that student financial aid funds be used solely for your educational expenses related to your attendance at this University.

## Important Financial Aid Terms and Conditions

### Academic Year

You need to apply for financial aid once per academic year. For undergraduate and graduate students, an academic year is the period of time it takes you to complete a minimum of 24 credits and 30 weeks of instructional time. Within your academic year, the University will calculate the loan period. The loan period is based on the academic schedule submitted with the loan application, and is not always equivalent to the academic year. Any changes to your original course schedule will impact your loan calculation and may change your eligibility. Contact your University of Phoenix financial representative for more information prior to making any schedule changes.

### Attendance Requirements

If you have a special circumstance that requires a break in your schedule of over 29 days (or 21 days for students attending a campus in Georgia), you will need to discuss this with your financial representative to gain approval for the break. Any changes to your original schedule must be approved by the University (refer to the Leave of Absence Section below). It is your responsibility to ensure that any schedule changes do not affect your individual loan or grant requirements.

### Leave of Absence

You may be approved for up to two leaves of absence in a 12-month period during which you will not be considered

withdrawn from the University. Generally, each leave may not exceed 60 days in length. Time in excess of 60 days (up to a total of 90 days) may be approved on an exception basis, for unusual circumstances. On or before your last date of class attendance, you must provide a written, signed and dated request for the leave to your campus. If unforeseen circumstances prevent you from providing this request, the University may approve the leave, if the request and documentation is received within 15 days of your last date of class attendance.

You are not eligible to receive student financial aid disbursements while on an approved leave of absence. In addition, failure to return at the conclusion of the leave may result in the cancellation of your scheduled federal financial aid and you may be required to repay some or all of previously disbursed funds.

### Shortfalls

Many undergraduate financial aid applicants will not receive enough funding to cover tuition costs for the academic year and should choose a secondary form of payment for those costs in excess of awarded financial aid funds. Eligibility requirements for financial aid funds vary based on the number of transfer credits accepted by the institution. Students must pay tuition not covered by financial aid prior to each course start date. Please contact your local campus for details on shortfall payment options and due dates.

### Loan Cancellation

You may cancel a loan by sending a letter to University of Phoenix. If the letter is received after the loan application has been submitted to your lender, the University will follow the regulatory requirements for the loan cancellation and the return of funds. If the request is not received within 120 days of when funds were disbursed, you may be required to pay fees and interest assessed by the lending institution.

If you choose another method of payment and wish to cancel your financial aid after 30 days of the disbursement, please contact your campus representative for completion of the appropriate form and alternative payment arrangements.

### Transfer Students

Students who have recently transferred from another institution and received student financial aid at the prior institution may be subject to reduced financial aid during their first academic year at University of Phoenix.

## Pitfalls to Avoid

### Double Ups/Overlapping Courses

If you decide to double up or take a course concurrently after your financial aid application has been certified, your eligibility may be affected. Consult with your campus financial representative to make sure you have sufficient student aid funds to cover your direct costs. Overlapping courses could also result in additional charges during the academic year that may not be covered by your financial aid.

### Breaks in Attendance/Schedule Changes

If you are out of attendance for more than 29 days (or 21 days for students attending a campus in Georgia) the University is required to determine whether you have earned the federal funds that have been disbursed to you consistent with the federal "Return of Title IV Funds" regulations. This may result in you owing the University for any funds returned to the federal program(s). Additionally, any changes that you make in your course schedule may impact the amount and/or timing of your federal awards. Please contact your campus financial representative in advance if you plan to take a break or modify your course schedule.

## Financial Aid Application Instructions

The University provides a simple and convenient online application process for completing your financial aid paperwork. The online process is the University's preferred method for processing your financial aid. The online application process includes all required financial aid forms, options for electronically signing your applications and links to complete the FAFSA (Free Application for Federal Student Aid) and Master Promissory Note (MPN) for Stafford Loans. The process takes approximately 30 minutes to one hour to complete. It eliminates the paperwork and reduces the processing time for receiving your financial aid funds. Submitting your applications using the paper process may result in delays in receiving your financial aid funds. We recommend you use the electronic process when available.

To access the online financial aid application process and submit your paperwork electronically, please visit [faw.phoenix.edu](http://faw.phoenix.edu). If you have any questions about the website or the financial aid application process, please contact your campus representative.

## Tips for Completing the Online Financial Aid Application Process

- Read all instructions carefully
- Complete all required fields identified with an asterisk (\*)
- Avoid delays by using the electronic signature process for all applicable forms and applications, including the FAFSA and Master Promissory Note
- Avoid delays by responding to requests for additional information and/or documents promptly

## Required Forms

The following financial aid forms are required for you to receive student financial aid grants and loans.

- FAFSA (Free Application for Federal Student Aid)
- University Financial Aid Application
- Other Resources Form (if applicable)
- Federal Stafford Loan Master Promissory Note
- Entrance Interview Form
- Perkins Promissory Note (if applicable)

## Additional Forms Required for Verification

The U.S. Department of Education may select you for a process called verification. In this process, information from your FAFSA will be compared with signed copies of your (and your spouse's, if you are married) 2007 Federal tax forms, or with W-2 forms or other financial documents. The University will then notify you if additional documentation is required. Additional documentation may include, but is not limited to, the following:

### Signed Federal Tax Return

- Single: Submit signed prior year Federal Tax Return. If you are considered dependent by the federal guidelines, you must include your parent's signed prior year Federal Tax Return.
- Married/Divorced: Submit signed, joint prior year Federal Tax Return and W-2 forms, or both separate tax returns and W-2 forms.

*Note: If needed, you may request a fax copy of your tax transcript for any previous tax year for which you have filed. Call the IRS at 800.829.1040.*

## Non-Tax Filers

If you or your spouse (or your parents if dependent) did not, and were not required to, file a prior year Federal Income Tax Return, complete the non-tax filer portion on the bottom of the University of Phoenix Verification Worksheet.

## Resolving Conflicting Information

As part of the verification process, the U.S. Department of Education will perform database matches with other available federal information and the information you provide on the FAFSA. Additional documentation will be necessary to resolve any conflicting information.

## Preferred Lenders

University of Phoenix has a list of FFELP preferred lenders. These lenders meet or exceed minimum operational standards and offer additional borrower benefits. However, we will process loan applications with any lender who participates in the Title IV Federal Loan Programs. Contact your campus financial aid office for the list of preferred lenders, or visit:

### Stafford:

<http://fa.phoenix.edu/lenderlist/stafford/default.htm>

### PLUS:

<http://fa.phoenix.edu/lenderlist/plus/default.htm>

### Private:

<http://fa.phoenix.edu/lenderlist/private/default.htm>

## Consumer Information

All colleges and universities that participate in the federal student aid programs are required to provide information to students regarding consumer information that is available to them. This information includes Student-Right-to-Know disclosures that you have the right to request and review. This information is available online at [phoenix.edu](http://phoenix.edu).



