KVCC
Financial Aid Changes Beginning 2012-2013

Congressional action in the last year has made several significant changes to federal aid programs in order to help balance the federal budget. Kalamazoo Valley Community College students will see these changes beginning with awards made for the 2012-2013 aid year. Below is a list of changes made by the Budget Control Act of 2011, the Consolidated Appropriations Act, 2012 and other regulatory enactments. Please read this information carefully as you prepare for the 2012-2013 academic year. Students required to submit a FAFSA with parental data, please share this information with your parents.

Federal Changes

Ability to Benefit

- Students who first enroll in a program of study on or after July 1, 2012, must now have a high school diploma or GED to receive Federal Title IV funds. Students may be asked to submit documentation verifying receipt of high school diploma or GED.

Changes Affecting the Federal Pell Grant

- Eligibility Changes: The maximum number of equivalent full-time semesters a student is eligible to receive a Pell Grant will drop to 12 semesters for all students. A new law reduces the duration of the Federal Pell Grant eligibility from 18 semesters or its equivalent to 12 semesters or its equivalent. This applies to all Federal Pell grant eligible students effective with the 2012-2013 academic year. The change affects all students regardless of when or where they received their first Pell grant.

If you have received the Federal Pell Grant for four years or more, you may have reduced eligibility or no remaining eligibility for the 2012-2013 school year.

Federal Pell Grant limits are set by federal law and cannot be appealed. If you rely on Federal Pell Grant Funding, stay in school and be aware of the lifetime limits when changing majors and/or scheduling classes. Some students may have student loan eligibility remaining.

Lifetime Eligibility Used (LEU) is tracked by the U.S. Department of Education and is based on full-time enrollment. If you received 100% of your award for 12 semesters, you will not have any remaining Federal Pell eligibility beginning in fall 2012.

In mid-July 2012, you will be able to log on the National Student Loan Data System (NSLDS) website at www.nslds.ed.gov, use your Federal Student Aid PIN at www.pin.ed.gov and view your LEU. The LEU will be found on the Financial Aid review page.

Changes Affecting Verification

- IRS Tax Transcript: If your record is selected for verification of your FAFSA, we can no longer accept copies of tax returns. You must request the IRS Tax Transcript and submit it to our office with your other verification documents.

Families who do not use the IRS Data Retrieval Tool are highly likely to be selected for verification that requires applicants to submit an IRS Tax Transcript that is obtained directly from the IRS. If you/spouse/parents were not required to file a Federal tax return you must submit appropriate W-2’s to verify wages earned.
Students will still be required to complete the Verification Worksheet if selected for verification. Documentation will be required if you indicated on your FAFSA either you/spouse and or your parents paid child support, which would include completion of the KVCC form “Verification of Child Support Paid” (Independent Student or Dependent Student) or official FOC records. If you reported on your FAFSA that you or anyone in your household receives SNAP (Food) benefits, you may be required to submit written documentation from the issuing agency or verify this status on the Verification Worksheet.

Changes Affecting Loans

- **More fees** will be taken out of your loans before you receive funds. Fees for Federal Stafford loans will increase to 1%. Fees for Federal PLUS loans will increase to 4%.

- **Interest Rate Increase:** The interest rate for undergraduates will increase to 6.8% on subsidized loans. The rate will remain at 6.8% on unsubsidized loans and on loans for graduate students.

- **After you leave school:** The interest subsidy offered during the six-month grace period on subsidized loans is eliminated for new loans made between July 1, 2012 and July 1, 2014. Loan repayment still begins six months after you are no longer enrolled at least half-time, but interest that accrues during those six months will no longer be subsidized by the federal government. The student will be responsible for the interest during the grace period.

Other Changes

**Book and Supply Authorizations**

If you have a credit balance on your account, a book and supply authorization, up to a maximum of **$650**, or the balance of your award, whichever is less, will usually be available the week before the semester starts and continuing midway through the third week of the semester. This authorization can only be used for books and supplies needed for your coursework. This does not include the purchase of food, clothing, cards, etc.

**Changes Affecting Students Who Have Previously Attended Another College/University**

Students who have previously attended another college or university will be required to complete the Financial Aid Transfer Student Certification Form. This form is available in the Financial Aid Office or can be downloaded from our website at [www.kvcc.edu/finaid](http://www.kvcc.edu/finaid), then go to Download Forms.

Based on a review of the Financial Aid Transfer Student Certification Form, as well as the requested documents attached to this form, you may be required to do the following before financial aid will be authorized to your account:

- Submit copies of academic transcripts to the Financial Aid Office from all colleges and/or universities you attended
- Meet with a KVCC academic counselor to develop a program plan that needs to be signed and submitted to the Financial Aid Office
- Schedule an appointment to meet with either the Assistant or Associate Director of Financial Aid

If you have any questions about these changes please contact the Financial Aid Office.