

Office/Contact: Office of Student Affairs

Source: SDBOR Policy 3:15

Link: <https://www.sdbor.edu/policy/documents/3-15.pdf>

Associated Forms: Rights and Responsibilities Form

SOUTH DAKOTA STATE UNIVERSITY
Policy and Procedure Manual

SUBJECT: Financial Aid

NUMBER: 3:4

1. Purpose

This policy and its procedures explain the different types of financial aid available to students at the University and set forth the application process associated with financial aid.

2. Policy

- a. Financial Aid exists to help students and their families pay for education expenses. Student financial aid programs are primarily funded through the federal government through loans, grants, and work-study eligibility. The University is eligible for all of the Title IV, Higher Education Act student financial assistance programs. Other aid programs are from state government, agencies, scholarship donors, and the University.
- b. The Financial Aid Office is responsible for processing financial aid applications and providing assistance to students and their families as needed.
- c. Federal loans are the primary source of student financial aid. Loans are available to undergraduate and graduate students who meet the eligibility requirements. Students obtaining federal loans will be required to complete entrance loan counseling to obtain information regarding their obligations and rights as borrowers, including the probable methods and rates of repayment, consequences of default, and sources of assistance if unforeseen circumstances arise. Students must complete exit loan counseling upon completion of their education at the University.
 - i. Federal Direct Stafford Loans are the primary Federal loans for students. Eligibility is determined by the FAFSA, other financial aid received, and the student's grade level in school. The interest rate and loan fees may vary depending on the loan period. Interest and repayment begins six (6) months after students cease at least half-time enrollment with the University. The promissory note provides information regarding the repayment terms, deferment provisions, and other rights and responsibilities for the loan.
 - ii. Unsubsidized Federal Direct Stafford Loans are another Federal loan option for students. The interest rate on these loans begins at loan disbursement and can be paid monthly, or it can be capitalized and added to the loan principal. The other terms of the loan are similar to the Federal Direct Stafford Loan and can be found

in the promissory note.

- iii. Federal Perkins Loans require financial need and available funds. The loan is interest free until nine months after a student ceases to be enrolled on at least a half-time basis. At that time, the interest begins at five percent (5%). Repayment must be completed in ten (10) years. Portions of these loans may be canceled according to the promissory note loan terms.
 1. Students with Perkins Loans must complete the *Rights and Responsibilities Form* before they sign the promissory note. Students are responsible for notifying the University if they are ceasing enrollment with the University, at which time an exit review and review of the repayment schedule will be necessary.
 - iv. Federal Direct Parent Loans for Undergraduate Students (PLUS) require a separate application process whereby the parent is the borrower for a loan for the student. The promissory note provides the terms and conditions of the loan, including the interest rate. Repayment of interest and principal begins after the funds have been disbursed.
 - v. Health Profession (Pharmacy) Loans are available to students enrolled full-time in the professional Pharm.D. Program. Students must have financial need to receive these loans based on the FAFSA and parent information required for a Pharmacy loan. The interest begins to accrue one (1) year after the borrower ceases full-time enrollment in the Pharmacy program. The promissory note provides the terms and conditions of the loan, including the interest rate.
 - vi. Nursing Student Loans are available to students enrolled in the Undergraduate College of Nursing. Students must have financial need to receive these loans based on the FAFSA. The interest begins to accrue nine (9) months after the borrower ceases half-time enrollment in the Nursing program. The promissory note provides the terms and conditions of the loan, including the interest rate.
- d. Grants are awarded to students on the basis of financial need as determined by the FAFSA. There is no requirement for repayment.
- i. Federal Pell Grants provide gift aid for a student's first bachelor's degree. Eligibility is determined by the FAFSA calculated estimated family contribution (EFC).
 - ii. Federal Supplemental Education Opportunity Grants provide gift aid for students who show exceptional need and do not have a prior bachelor's degree. These federal grants vary in amount depending on financial need.
- e. The Federal Work-Study Program is a financial need based program. The maximum amount a recipient can earn under this federal program is determined by financial need and available funds. Most Work-Study jobs are on the University campus, although some are off-campus at nearby non-profit agencies. Students awarded Work-Study will receive information regarding job opportunities. Specific wage rate, hours of work, and job description are provided to students by the employer before accepting a position.

Total earnings cannot exceed the Work-Study award.

- i. The Summer Federal Work-Study Program is part-time or full-time employment during the summer available to students who will be enrolled at the University for the following fall semester.
 - ii. The Veterans Federal Work-Study Program is available only to U.S. military veterans. Applications and detailed information are available in the University Veterans Services Office.
- f. Scholarships are awarded to students in recognition of academic achievement and other criteria to recognize academic and talent performance. Information regarding scholarships is available in SDBOR Policy 3:15 and also with the academic department.
 - g. South Dakota aid, including the South Dakota Opportunities Scholarship Program and the Dakota Corps Scholarship Program, is available to eligible students. Students may contact the Financial Aid Office for more information regarding these programs.
 - h. Financial assistance, including scholarships or loans, may be available from local community and regional sources. Students may obtain information from their local high school, library, and media sources.
 - i. Alternative loans are offered by some regional lenders or states. Applications are available from the University Financial Aid Office.
 - j. Other student aid programs may be available for eligible students through governmental agency programs that require specific agency application requirements. These include programs through Vocational Rehabilitation, the Department of Labor, Veterans Administration, and other agencies.
 - k. Consumer information is available for prospective or enrolled students at the University in compliance with the Higher Education Opportunity Act of 2008. Financial aid information specifically included is entrance and exit loan counseling (Sec. 488), private loan disclosures for loans by the University that are not made, insured or guaranteed in Title IV of the Higher Education Act, and school code of conduct (Sec. 493). The information is available at <http://www.sdstate.edu>. The Voluntary System of Accountability (VSA) along with other information disclosures and consumer dissemination is also noted on the website.

3. Procedures

- a. To apply for Federal aid, students must complete the Free Application for Federal Student Aid (FAFSA) at www.fafsa.gov. The FAFSA will determine eligibility for federal financial aid. The Title IV School Code for the University is 003471. Applications completed before March 15 have priority for the Federal Supplemental Grants, Federal Work-Study, Federal Perkins Loans, Pharmacy Loans, and Nursing Student Loans.
 - i. Over 90% of the total federal student financial aid does not have a priority application date; specifically, the Federal Pell Grant and the Federal Direct Stafford Loan, whether subsidized or unsubsidized.

- b. The University Financial Aid Office uses the information from the FAFSA, specifically the calculated estimated family contribution (EFC) to perform an evaluation for financial need. A simple formula used to determine financial need is as follows: Cost of Education minus Family Contribution equals Financial Need.
 - c. After the evaluation is complete, the Financial Aid Office sends out an award letter outlining the specific terms and conditions of the financial aid.
 - d. Financial aid, including federal grants, federal loans, University scholarships, and non-University scholarships, are credited toward the student's registration account for the respective academic terms and aid awards based on student eligibility requirements. Payment is first made to the student's tuition, fees, and, if applicable, room, food service, and other University expenses.
 - e. The availability of funds may affect the amount and/or type of award. Students are required to notify the Financial Aid Office of any financial assistance which does not appear on their award letter.
 - f. Students' eligibility for funding in following years will be dependent upon their continued satisfactory process at the University, as well as their eligibility for available funds. Students must apply for financial aid each academic year they are enrolled at the University.
4. Responsible Administrator

The Vice President for Student Affairs, or designee, is responsible for the annual and ad hoc review of this policy and its procedures. The University President is responsible for approval of this policy.

SOURCE: Approved by President on 10/08/2015.