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This *Handbook* is designed to help you gain a better understanding of the financial aid process at Austin Career Institute. You should refer to the *Handbook* whenever possible, and work with the Financial Aid Department at ACI to ensure any questions or concerns you may have are resolved.

Please remember that the Department of Education (ED) regulates the financial aid process. These regulations specify what we can do as financial aid administrators. Since all ACIs are different, the application of these regulations may vary. The following pages are guidelines that may help you through the financial aid process at Austin Career Institute.

If your situation is not covered in this *Handbook*, or if you would like further explanation on a topic, make an appointment to see your Financial Aid Administrator. Please keep in mind that no one other than the financial aid staff is qualified to answer financial aid related questions.

Check with the Financial Aid Department for their business hours.

Most of the information dissemination activities required by the Higher Education Act of 1965 as amended have been satisfied with this *Handbook* and with the Austin Career Institute *Catalog*. However, Financial Aid Officers are available to discuss consumer information in more detail with current and prospective students.

### **Financial Aid Officers And Contact Information**

Carlos Range

Email: carlos@austincareer institute.edu

Direct Phone number: 512-580-7638

Cell Phone number: 512-677-7776

### **Financial Services Office Hours**

Financial Services is open Monday through Friday, 9 am to 4 pm.

## **Purpose of Financial Aid**

The purpose of financial aid is to assist students who might otherwise be unable to pursue the higher education program of their choice. Although the primary responsibility for meeting ACI costs rests with the student and his or her family, it is recognized that many families have limited resources and are unable to meet such costs. For this reason, financial aid programs have been established by the institution and by federal, state and local governments.

The individual student or student's family has the primary responsibility for meeting the costs of education. Financial aid is awarded on the basis of need, regardless of sex, age, race, color, religion, creed or national origin. Need is defined as the difference between the cost of attendance for one academic year and the amount a student's family can be reasonably expected to contribute to this cost of attendance for the same period.

Austin Career Institute assists every eligible student in seeking financial aid to enable the student to attend ACI. ACI participates in various federal and state student financial assistance programs. These programs provide assistance to students who are currently enrolled or accepted for enrollment and whose financial resources are inadequate to meet the full cost of their education.

Aid received from federal financial aid programs must be used for education purposes only.

Any financial aid commitment involving the use of federal funds is tentative and depends upon completion of the necessary forms by the student, actual receipt of the funds by ACI, and subsequent appropriation by Congress. The award from federal aid programs is not automatically continued from one year to the next; therefore, students must reapply each award year. Applicants may apply for Financial Aid by contacting the campus Financial Aid Office.

## **Student Eligibility**

To be eligible for financial aid, a student must:

- Be enrolled as a regular student in an eligible program (HVAC-R is the only currently eligible program) of study, working toward a degree or certificate;
- Meet ACI's admission standards.
- Be a U.S. Citizen, or an eligible non-citizen (verification of eligible non-citizenship status will be required);
- Have financial need as determined by a need analysis system approved by the Department of Education (except for some loan programs);
- Maintain satisfactory academic progress;
- Provide required documentation for the verification process and determination of dependency status within 30 days (exceptions can be made based on your situation);
- Not have been convicted for the possession or sale of illegal drugs while receiving federal student aid (grants, loans, federal work study. For special exceptions to this rule, consult the Financial Aid Department);
- Sign a statement on the Free Application for Federal Student Aid (FAFSA) certifying that was one the student is not in default on a

federal student loan and that the student does not owe money on a federal or state student grant;

- Sign a statement on the FAFSA certifying that the student will use federal student aid only for educational purposes;
- Not have borrowed in excess of the aggregate loan limits for the Title IV financial aid programs;
- Be registered for the Selective Service, if required;
- Have a valid Social Security Number.

### **Application Procedures**

To apply for financial aid, a student must complete a standard application such as FAFSA. The application must be completed with extreme care and accuracy. Austin Career Institute Financial Aid Officers are available to assist students and to answer any questions.

The FAFSA is used to determine eligibility for all types of financial aid programs. Once processed, the application will produce an Expected Family Contribution (EFC).

Financial aid is not guaranteed from one academic year to the next. Students must reapply each new award year and academic year. Also, if the student changes school, their aid does not automatically transfer.

### **Verification**

Verification is a process the Department of Education uses to check the accuracy of information that a student reports on the FAFSA when applying for federal student aid. Austin Career Institute verifies all applicants selected by the Department of Education. In addition, ACI has the right to select a student for verification should there be any conflicting information in the information provided.

### **Policies and Procedures for Verification**

All applicants selected by the Department of Education will be verified. Selected applicants must submit a signed copy of the required verification documents within thirty (30) days of notification. Austin Career Institute may choose to select a student for verification if the student's documents contain conflicting information.

Students will be given a clear explanation of the documents needed to satisfy the verification requirements and the process for submitting those documents.

Required documentation may be, but is not limited to, the student's tax transcript, parent(s)' tax transcript, and a Verification Worksheet.

If the student submits a Social Security Number that cannot be confirmed, the student may be required to submit documents to support the discrepancy. Any eligible non-citizen may be required to undergo a secondary confirmation. This will require the student to submit a copy of their credentials to the Department of Homeland Security.

If the student fails to provide the required documents within the established time frame, the student will be treated as a cash-paying student.

If the student does not meet the deadline and is not capable of making a cash payment at the end of the deadline, they may be withdrawn from ACI

and will be billed in accordance with the Enrollment Agreement. The student may re-enter ACI when able to provide the required documentation.

The Financial Aid Department reserves the right to make exceptions due to extenuating circumstances on a case-by-case basis to the above stated policies. Please see the Financial Aid Department as early as possible to determine if you qualify for an extension of the thirty (30) day requirement.

ACI will inform the student in a timely manner of the consequences of failing to complete the verification requirements and the actions ACI will take if the student does not submit the requested documents within the time period specified by ACI.

Students will be notified by mail or in person if the result of verification changes the student's scheduled award. ACI will assist the student in correcting erroneous information.

Any suspected case of fraud will be reported to the Regional Office of the Inspector General, or, if more appropriate, to a state or local law enforcement agency having jurisdiction to investigate the matter.

No disbursements of Title IV Aid will be made prior to the completion of verification.

### **Financial Aid Programs Available**

The majority of financial aid available to students is provided by the Federal Government and is called Title IV Aid. This includes the Federal Pell Grant, Federal Direct Loan, and Parent Loans for Undergraduate Students (PLUS).

The student may be eligible to participate in institutional or private loan programs that enable the student to contribute to their education while in ACI. In addition, ACI is eligible to participate in a number of state agency programs.

For detailed information regarding the various Title IV programs, both grants and loans, please refer to *The Student Guide*. For a detailed explanation of how you apply for, and how financial aid is administered by Austin Career Institute, please refer to the *Student Handbook*.

[Resources | Federal \*\*Student Aid\*\*](#)

[studentaid.ed.gov](http://studentaid.ed.gov) › 2015–16 Funding Your Education: The *Guide to Federal Student Aid*.

### **Federal Pell Grant**

This grant is designed to assist needy students who desire to continue education beyond high school. Undergraduate students are entitled to apply for a Federal Pell Grant. Eligibility is determined by the student's need, the cost of attendance, and the amount of money appropriated by Congress to fund the program. The amount of the grant is determined by a standard formula used by the Department of Education. The amount of the grant available to the student will depend on the Expected Family Contribution (EFC) and the Cost of Attendance (COA).

The Federal Pell Grant provides a foundation of financial aid to which other aid may be added. Students or prospective students may secure an application to participate in the Federal Pell Grant program from the Financial Aid Department of ACI, from a high school counselor, or electronically complete the application on the Department of Education's web site, [www.fafsa.ed.gov](http://www.fafsa.ed.gov). The application will be transmitted electronically through a federally approved need analysis system that will determine your expected family contribution.

Federal Pell Grants are disbursed to eligible students in four payments. The first payment at the beginning of the program or academic year, the second payment at the beginning of the second payment period, the third at the beginning of the third payment period, and the fourth at the beginning of the fourth payment period. Students with transfer hours for previous training may have fewer disbursements scheduled.

### **Federal Subsidized Direct Loans**

Federal Loans are low interest loans that are insured by the Federal Government and made to the student by ACI. The loan must first be used to pay for direct educational expenses. The interest rate is 2.05% above the Treasury bill rate, with a cap of 8.25%. Should interest rates be changed, the borrower will be notified throughout the life of the loan. An insurance premium and origination fee will be no more than 4%.

The Federal Subsidized Stafford Loans and the Federal Direct Loans are disbursed in two payments, the first (loans for first time borrowers in their first academic year) 30 days from the student's start date. The student loan checks or electronic funds transfer (EFT) will be credited to the student's tuition account.

### **Federal Unsubsidized Stafford Loans**

The Federal Unsubsidized Stafford Loan is available to eligible students, regardless of family circumstances. The interest rate is 2.05% above the Treasury bill rate, with a cap of 8.25%. The terms of an Unsubsidized Stafford Loan are the same as those for a Subsidized Stafford Loan with the following exceptions:

The government does not pay interest on the student's behalf on an Unsubsidized Stafford Loan. The student must pay all interest that accrues on the loan during enrollment and the grace period. The student has two options for repayment of the accrued interest: 1) making monthly or quarterly payments to the lender, or 2) the student and the lender may agree to capitalization of the accrued interest.

### **Parent Loans for Undergraduate Students (PLUS)**

The PLUS is available to parent(s) of dependent students to help pay for the educational expenses of the student. PLUS are not based on need, and, when combined with other resources, cannot exceed the student's cost of attendance.

Parents may borrow up to the cost of attendance minus all other financial aid for the academic year. An origination fee of up to 3% and an insurance premium of 1% will be deducted from the loan principal. The interest rate is 4.6% above the Treasury bill rate, with a cap of 10.5%.

Repayment begins within 60 days of the final disbursement. The minimum payment amount is \$50 per month with at least five years, but no more than 10 years of repayment. The actual payment and schedule is determined by the total amount borrowed. Applications can be obtained from ACI's Financial Aid Department.

#### Maximum Loan Amounts

The maximum loan amounts for a first year student are:

##### Dependent student –

\$3,500 Subsidized Stafford and \$2,000 Unsubsidized STAFFORD or a PLUS in the amount of the Cost of Attendance minus other estimated financial aid. If a dependent student's parent(s) are denied a PLUS, the student may borrow an Unsubsidized Stafford in an amount up to \$6,000.

##### Independent Student –

\$3,500 Subsidized Stafford and \$6,000 Unsubsidized Stafford

The maximum loan amounts for second year students are:

##### Dependent –

\$4,500 Subsidized Stafford. PLUS and Unsubsidized Stafford are the same as for a first year student.

##### Independent Student –

\$4,500 Subsidized Stafford and \$6,000 Unsubsidized Stafford.

Borrowers should review with the Financial Aid Officer opportunities for deferment for military, Peace Corps, public health service, attendance at another school, or hardship situations, such as unemployment or disability. It is very important to note that borrowers are responsible for notifying the lender immediately of any change of name, address, or telephone number. Borrowers should also be aware that they may repay the whole loan or any portion of it without a penalty. Another feature of these loans is that the loan obligation is canceled if the borrower dies or becomes permanently disabled (except in the case of a spousal consolidation).

All of these special provisions are explained in the promissory note that the borrower must sign to get the loan. Borrowers should be sure to get a copy of the promissory note, read it, and keep it for future reference.

Please refer to *The Student Guide*, published by the U.S. Department of Education (ED), for more information on these programs. Also, *The Guide* includes information about other sources of financial aid, specifically scholarships. Check the listed recommended Internet sites. If you need Internet access, ask at the Financial Aid Department at ACI.

#### **Deferments**

The Federal Stafford Loan is deferred while the student is enrolled in ACI and for a grace period (six months) beyond the student's last date of attendance. During this period, the federal government pays the interest on the Subsidized Stafford Loan as long as the student remains in ACI at least half time.

Deferments after the student drops below half-time status are not automatic. Deferment forms can be obtained from the financial aid office, the lender, or the secondary market. For additional deferment information contact the campus Financial Aid Office.

If you have existing student loans and you want to defer the payments while finishing your program, you must complete and mail to your loan servicer a completed in-school deferment request. Check with your Financial Aid Administrators for assistance.

### **Student Loan Borrower Rights and Responsibilities**

The borrower has a **right** to:

- Written information on loan obligations, including loan consolidation and refinancing, and information on borrower rights and responsibilities;
- A copy of the promissory note, and return of the note when the loan is paid in full;
- Before repayment, information on interest rates, fees, the full amount of the loans, and a loan repayment schedule;
- Notification if the loan is sold or transferred to a loan service;
- A grace period, if applicable, and an explanation of what that means;
- Prepayment of the loan without penalty;
- Deferment or forbearance, if the borrower qualifies;
- Knowledge of late charges and collection or litigation costs if you are delinquent or in default;
- Information on the effect borrowing will have on the student's eligibility for other types of financial aid;
- Notification of the yearly and total amounts a student can borrow, the maximum and minimum repayment periods and the minimum repayment amount;
- An explanation of default and its consequences;

The borrower has a **responsibility** to:

- Repay all loans according to the terms of the promissory note. The note is a binding legal obligation and the borrower must repay even if the student does not complete the education, or is unable to get a job afterwards, or is dissatisfied with or does not receive the education paid for;
- Repay the loan in accordance with the repayment schedule, and notify both ACI and lender of anything that affects his/her ability to repay, or eligibility for deferment or cancellation;
- Continue to make payments even after applying for a deferment or forbearance until notified that the request has been granted;
- Notify the lender if s/he graduates, withdraws from ACI, drops below half-time status, transfers to another school, or changes name, address, or social security number;
- Notify the lender if s/he fails to enroll for the period covered by the loan;
- Notify ACI of a change of address;
- Attend an entrance interview before starting school, and
- Attend an exit interview before leaving ACI.

If you borrow a Direct Loan, it will be managed by the Direct Loan Servicing Center.

## Loan Repayment Chart

The chart below shows estimated monthly payments and total interest charges of 6.8% for loans of varying amounts, with typical repayment periods. **Interest rates may change, so ask the FA Department for the current rates.**

Total Loan Amount	Number of Payments	Monthly Payment Amount	Interest Charge	Total Amount Repaid
\$ 3,500	65	\$64.52	\$ 693.80	\$4,193.80
\$ 4,000	100	\$52.51	\$1,251.00	\$5,251.00
\$ 7,500	120	\$86.31	\$2,857.20	\$10,357.20
\$10,000	120	\$115.08	\$3,809.60	\$13,809.60
\$15,000	120	\$172.62	\$5,714.40	\$20,714.40

Remember: You must repay your student loans even if you do not finish your course of study, are dissatisfied with your education, or cannot find employment in your field of study.

## Program Cost

Tuition and fees, books and supplies, personal expenses, room and board, and transportation cost for an academic year are considered in determining the student's cost of attendance. The amount to be used for indirect costs such as room and board, personal expenses are obtained from the Bureau of Labor and Statistics. These expenses are subject to change.

### Need and Cost of Attendance

Once the FAFSA is completed, the information will be used in a formula established by Congress that calculates EFC, an amount you and your family are expected to contribute toward your education.

When combined with other aid and resources, a student's aid package will not exceed the Cost of Attendance (COA). The following is an example of the concept of financial need:

Cost of Attendance (tuition and fees, books, transportation, room and board, misc. personal)  
- EFC (estimated family contribution based on family income, size, etc.)  
- Federal Pell Grant eligibility (if any)  
- Estimated financial aid from other sources\_(scholarships, agency, etc.)  
= Financial Need

Austin Career Institute uses the National Standardized Budget for indirect cost (an allowance for room and board, miscellaneous personal). Transportation costs are determined based upon a campus survey of costs. These allowances for costs are adjusted annually in accordance with National Cost of Living guidelines.

The living allowance for the financial aid year will vary by the following two categories:

1. Student living at parent(s)' home with no dependents.



## 2. All other students

\*Transportation costs are determined based upon a campus survey of these costs, performed annually.

A typical 8 month Academic year budget for a single student not living at home for the academic year would be:

Tuition and Fees \$18,995\* + Living Allowance \$13,936 = Cost of Attendance \$30,904

\*Refer to your enrollment agreement for your actual Program costs for the period.

### **Disbursements**

Financial Aid is delivered in at least two disbursements per academic year, and are based upon the number of clock hours you are expected to complete within each payment period. (Please note that an academic year is not a calendar year.) You must successfully complete a minimum of thirty (30) weeks to complete an academic year.

The first disbursement of your Stafford or Direct Student Loan is generally received within the first thirty (30) days after you begin classes. If they are the first time borrowers there is a 30 day calendar delay. For non first time borrower.

The second disbursement will be made after you complete the hours and weeks required in the prior payment period. Austin Career Institute usually receives disbursements by electronic funds transfer (EFT). The Financial Aid Department will confirm you are in satisfactory academic progress or on a warning or probationary status and have successfully completed the required hours.

### **What if one program crosses over into two academic year**

***If you fail to apply for your second academic year funds, or to complete your financial aid file in a timely manner, you will delay or jeopardize your financial aid award. This could create a cash balance situation that will need resolution prior to continuing your education. It is the student's responsibility to check with the Financial Aid Department to ensure they have completed and provided all required documents to receive the financial aid scheduled on their award letter***

***You must make an appointment with the Financial Aid Department to complete your second-year funding.***

### **Payment for Education**

ACI publishes tuition prices for each program offered. Arrangements for payment of tuition must be made in advance of the first day of class.

### **Tuition Account**

In order to keep track of charges and credits to your tuition, an account ledger is created and tracked throughout your enrollment at Austin Career Institute. The charges on your account are taken directly from your enrollment agreement, so it is very important that you agree to those charges prior to signing your agreement. Your account ledger will be comprised of an amount that includes tuition, books, uniform, and registration fee. Additional charges, such as lost books, additional uniforms, retake of classes, and licensing, may be included. Within your first week of school, the Accounting Department will open this account for you.

Student loan disbursements are generally received via electronic funds transfer. If Austin Career Institutes is given the authorization, those funds will be posted to your account and subtracted from your tuition balance. If ACI does not have your authorization to disburse the funds electronically, upon receipt of the funds, the Accounting Department will negotiate a check for your endorsement.

### **Tuition Payments**

If you have chosen to pay cash for your program, or if your financial aid package does not cover the total tuition charges, you are responsible for submitting your cash payments to Austin Career Institute on a timely basis.

Students will be notified by phone or mail of any past due payments by the Accounting Department, ACI Financial Aid Office, or, if applicable, an outside payment management organization. It is extremely important to stay current with your cash payments. If you are having a difficult time making your payment, make an appointment with your Financial Aid Administrator.

A delinquent tuition balance may be grounds for termination from your program.

Austin Career Institute reserves the right to withhold an official transcript and credentials if your financial obligations to ACI are in arrears or you have defaulted on your federal student loans.

### **Credit Balance**

Austin Career Institute will monitor student balances on a weekly basis. If a credit balance occurs, ACI will pay a credit balance within fourteen (14) days and sent to the student's address on file with the campus by the Accounting Department.

## **Subsidized Loan Eligibility Time Limitation (150% rule)**

First-time borrowers (those who have no principal or interest balance on any Direct or FFEL Loan on July 1, 2013 or on the date they receive a Direct Loan after July 1, 2013) may not receive Direct Subsidized Loans for a period that exceeds 150% of the published length of the academic program in which they are currently enrolled. This length of time is known as the “maximum eligibility period.” For example, a first-time borrower in a 4-year program would have six years of Direct Subsidized Loan eligibility, and a borrower in a one-year program would have 1.5 years of Direct Subsidized Loan eligibility. COD will edit and reject awards that would exceed 150% subsidized usage for a student (Reject Edit 206). For the full discussion on how to calculate subsidized usage periods and maximum eligibility periods, and what to do when a borrower exceeds his/her maximum eligibility period, see Volume 3, Chapter 5, Calculating Direct Loan Periods & Amounts.

## **Program Changes and/or doubling up on classes**

If at any time you decide to change your program, or request approval from ACI Director to double up on classes, you must follow the procedures outlined below. To start the process, make an appointment with the ACI Director. The Dean will evaluate your request to determine if it is academically possible.

Upon approval by ACI Director, for a program change you will need to meet with Admissions to sign a new enrollment agreement and then with the Financial Aid Department to re-process your financial aid. If approved to double up on a class, you will need to meet with Financial Aid to re-evaluate your eligibility for financial aid.

You will be charged for any difference in price between your old program and the new one. You will also be charged for any classes you have completed that are not fully transferable to the new program.

Doubling up on classes, must be approved by ACI Director and may change your financial aid eligibility.

## **Overtime charges:**

A school may not use Title IV funds to pay overtime charges for a student who fails to complete his or her academic program within the normal time frame. Overtime charges are in addition to normal tuition and fees, and since they are not charges normally assessed, they may not be included in a student’s cost of attendance for Title IV purposes, and therefore Title IV funds may not be used to pay charges, even if a school obtains a student’s (or parent’s) authorization to do so.

## **Leave of Absence Policy (LOA)**

### Leave of Absence:

- An authorized Leave of Absence (LOA) is a temporary interruption in the student's program of study.
- The LOA refers to a specific period of time in which a student is not in attendance.
- An LOA is not required during an institutional break, however; a scheduled break may occur during an LOA.
- An LOA must meet certain conditions to be counted as a temporary interruption (LOA) instead of being counted as a withdrawal, which would then require Austin Career Institute to perform a withdrawal calculation.
- Austin Career Institute will not assess the student any additional charges as a result of the LOA.
- A student who must take an approved Leave of Absence (LOA) or must withdraw from training for nonacademic reasons may return to Austin Career Institute with no loss of SAP if the student was making SAP when the student left.
- To qualify for an authorized LOA:
  - The student must follow Austin Career Institute's Leave of Absence Policy when requesting an LOA.
  - There must be reasonable expectations that the student will return from the LOA.
  - The LOA must be requested and approved in writing according to Austin Career Institute's LOA Policy and prior to LOA occurring unless there is an unforeseen circumstance that would prevent the student from requesting in advance.
  - The LOA must be dated and signed by the student.
  - The student must provide documentation to substantiate the LOA.
  - The student is required to list the reason for the LOA.
  - Emergency LOA, without prior written request, may be granted provided the student completes the LOA form and returns it to Austin Career Institute via mail or in person within a reasonable resolution of the emergency.
  - The first date of the LOA would be the beginning date of the approved LOA where the student, due to an emergency situation, was unable to attend Austin Career Institute.
  - A student granted an LOA that meets the criteria is not considered to have withdrawn, and no refund calculation is required at that time.
  - A student may be granted a LOA for any of the following reasons:
    - 1) Emergency medical issues
    - 2) Military requirements
    - 3) Jury duty
    - 4) Mitigating circumstances beyond the student's control
    - 5) Academy staff recommendation
- The day the student returns from an LOA, the student is required to inform staff in the financial aid office and education office of their return.
- A leave of absence extends the student's contract period and maximum time frame by the same number of days taken in the Leave of Absence without penalty to the student.
  - All parties must initial changes to the contract period on the Enrollment Agreement or an addendum must be signed and dated by all parties to reflect the new contract end date.
- If the student takes an unapproved LOA or does not return from an approved LOA, at the expiration of the LOA:
  - Austin Career Institute is required to take attendance, therefore; the withdrawal date for the purpose of calculating a refund is always the last date of attendance as listed in the student's attendance records.
  - Austin Career Institute permits more than one LOA provided the total number of days of all LOAs does not exceed 180 calendar days in any 12-month period.

- If a student needs an extension to their LOA, pending all 180 calendar days have not been used in prior LOA(s), the student must complete a new LOA request form, prior to concluding the current LOA, outlining the details for the requested extension.
- If the student is receiving consumer loans and/or federal funding, no aid (consumer or federal aid funding) will be disbursed during the LOA.
- If the student does not return from the LOA, the student will be dropped from Austin Career Institute.
  - The student's Title IV loans (if applicable) will enter into repayment 6 months from the students last date of attendance.
  - Any consumer loan repayment will be per the terms of the consumer loan.