

A summary of changes which can impact students for the 2019-2020 award year.

Pell Grant

Minimum Federal Pell Grant Award and Maximum EFC

The maximum Federal Pell Grant award will increase to a maximum of \$6195 for the 2019-2020 award year. The maximum Expected Family Contribution (EFC) for Pell eligibility for 2019-2020 has also been increased to an EFC of 5,577, up from the 5,486 EFC maximum for the 2018-2019 award year.

FAFSA Filing – Earlier Availability

As of October 1, 2018, the FAFSA form will be available to be filed for the upcoming 2019-2020 academic year. In previous years, the FAFSA would not be available for the coming academic year until January 1 of that year. So, for the 2016-2017 academic year, the FAFSA was not available until January 1, 2016.

FAFSA Filing – Prior Prior Year Income

Because of the earlier availability to file the FAFSA, students and parents (if applicable) will be required to provide the prior prior year income instead of just the prior year income. Since accurate income information will not be available before the end of the year the FAFSA will ask for the prior prior year's income instead. For example, previously when filing the FAFSA, you would be asked to provide 2017 income for the 2019-2020 FAFSA.

Direct Loans

Reinstatement of Interest Subsidy during Six Month Grace Period (continued from 2014-2015)

New subsidized Direct loans disbursed as of July 1, 2014 will once again be eligible for the interest subsidy during the six month grace period. It had been temporarily suspended in 2012 but it has been reinstated for new loans only. Please contact your Financial Services department for details.

New Interest Rates and Origination Fees

The interest rates for loans disbursed on or after July 1 of each year, will be calculated based on the Treasury bill rate as of June 1 (plus an additional add-on rate). Since interest rates will be calculated every year, it is very likely you will have different interest rates on subsequent loans as well as any prior federal loans disbursed before July 1, 2013. Once calculated, the interest rate for that loan will not change. Please see the chart below for the current interest rate specifics.

Interest Rates for Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans First disbursed on or after July 1, 2019 and before July 1, 2020			
Loan Type	10-Year Treasury Note High Yield	Add-On	Fixed Interest Rate
Direct Subsidized Loans and Direct Unsubsidized Loans for Undergraduate Students	2.479%	2.05%	4.53%
Direct Unsubsidized Loans for Graduate and Professional Students	2.479%	3.60%	6.08%
Direct PLUS Loans for Parents of Dependent Undergraduate Students and for Graduate or Professional Students	2.479%	4.60%	7.08%

The following chart shows the sequester-required loan fees for FY 2019 and FY 2020

Loan Type	First Disbursed	Loan Fee Percent	Fee Example
Direct Subsidized Loans and Direct Unsubsidized Loans	FY 19 On or after October 1, 2018 and before October 1, 2019	1.062	\$58.41 on a \$5,500 loan
	FY 20 On or after October 1, 2019 and before October 1, 2020	1.059	\$58.24 on a \$5,500 loan
Direct PLUS Loans (Parent and Grad/Prof Student)	FY 19 On or after October 1, 2018 and before October 1, 2019	4.248	\$424.80 on a \$10,000 loan
	FY 20 On or after October 1, 2019 and before October 1, 2020	4.236	\$423.60 on a \$10,000 loan

Loan fee calculations that result in more than two decimal places must be truncated (not rounded) to two digits after the decimal point (cents).

Subsidized Loan Limitation (continues from 2013-2014)

This new provision will establish a limit on how many years a student may receive subsidized loans. The Subsidized Loan Limitation will apply to new borrowers on or after July 1, 2013. Once a student has received subsidized loans for 150% of the published time of their academic program the student may not receive any additional subsidized loans. Also subsidized loans received on or after July 1, 2013 will lose their subsidy if the student has reached 150% of their published program. Please refer to the Financial Aid Office for further information.

Program Length	Limitation on Subsidized Loan Eligibility
4 Year Bachelor's Degree	6 Academic Years of subsidized loan eligibility
2 Year Associates Degree	3 Academic Years of subsidized loan eligibility
1 Year Certificate Program	1 ½ Academic Years of subsidized loan eligibility
10 Week Certificate Program	15 Academic Weeks of subsidized loan eligibility

PLUS Loans (continued from 2015-2016)

PLUS borrowers must not have adverse credit prior to borrowing a PLUS loan. Adverse credit is defined as having one or more debts that:

- are 90 days or more delinquent;
- are in collections or have been charged off during the two years preceding the date of the applicant's credit report; and
- The total combined outstanding balance of those debts is greater

than \$2,085. All PLUS loan borrowers must complete PLUS loan entrance counseling.

The Department of Education provides the opportunity for borrowers with adverse credit to be reconsidered for the PLUS loan under the "extenuating circumstance" provision of the Higher Education Act 685.200(c) (vii).

Extenuating Circumstances are reviewed by ED and a case by case determination is made based on the specific factors related to the borrower. Some of the factors are; borrower has made efforts to pay the delinquent debt, cumulative past due debt, or if the family has a prior PLUS loan.

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