GENERAL

The following covers Federal Student loan information. Please read each section carefully. You are responsible for all the information governing the programs for which you have been deemed eligible.

Your financial aid award is based on information you submitted in the application materials - GCTS Financial Aid Application and the FAFSA. The “Estimated Budget” items are based on the standard student budget figures established at Gordon-Conwell. It is your responsibility to notify the Financial Aid Office of any change in your family's circumstances. This includes the receipt of any additional funds not reported on your application. If such a change does take place, the Financial Aid Office will review and possibly revise your award. If a significant change occurs in your enrollment status, your level of eligibility for all awards may be affected and, therefore, you should consider an award as an estimate until your enrollment can be verified.

ELIGIBILITY REQUIREMENTS

You must be registered as a full-time degree student (7 credits / semester) to maintain grant and scholarship eligibility and at least half-time (4 credits / semester) to maintain loan eligibility. If you withdraw from school or drop below full-time status during add/drop period, all school administered scholarship or grant funds will be nullified. Loan eligibility may be affected if dropping status to half-time and there is no eligibility for loans if attending less than half-time (less than 4 credits / semester). Students, in addition to being enrolled in a master’s degree seeking program, must possess a bachelor’s degree or have completed, at minimum, the equivalent of three previous years of full-time academic study in order to be eligible to receive Federal loans. The financial aid funds will cover only those courses for which you pay tuition and only the number of courses required in your degree program (30 courses for Master of Divinity, 20 courses for other Master of Arts, and 8 courses for the Th.M students).

SATISFACTORY ACADEMIC PROGRESS

The Department of Education has made changes to the SAP (Satisfactory Academic Progress) regulation and the Financial Aid Office has been working through the changes to ensure that we, as an institution, remain in compliance with the regulation. This policy applies only to students who receive Federal Student Loans. The policy requires the Financial Aid office to review cumulative GPA and the rate of completion for student loan borrowers.

- The first requirement is that a student is at or above the minimum required for their particular degree program.
- The second requirement for SAP is the Pace in which the student is working toward their degree. This calculation takes into account the number of credits for courses you have attempted and the number of credits for courses you successfully completed defined as courses that have received a passing grade (D- and above or "P"assing).

The rate of completion must be 67% or more for a student to receive a loan. If a student’s rate is not 67% or more and/or the GPA minimum earned for their degree is not met, then a Federal Student loan will either not be processed or will need to be cancelled until the acceptable rate and/or GPA to receive Federal student loans is achieved.

If a student borrower does not pass the SAP requirement, a letter is emailed to the student informing him/her. There is an SAP appeal process and you may read more in the student handbook for the details concerning the requirements of the appeal process. If your appeal is granted, then your loan eligibility will be reinstated and we will be able to process loans for you for the semester.

FEDERAL DIRECT UNSUBSIDIZED STAFFORD LOAN PROGRAM

Students who are U.S. citizens or Permanent Residents and who are enrolled for 4 or more credits per term may apply to borrow up to $20,500 per year through the Federal Direct Unsubsidized Stafford Loan Program. Unsubsidized Stafford Student loans are available to students regardless of their financial need. Repayment of the loan extends up to 10 years, with deferments available during period of unemployment, economic hardship, or continued education. The interest rate for Federal Stafford Loans for the 2015-2016 school year is a fixed 6.21% and a lender fee of 1.073% will be deducted from the loan amount prior to disbursement. The student is responsible for all interest that accrues on the loan even during periods of deferment. When completing the MPN, a student chooses whether they want to pay the interest monthly while attending school or to let it accrue (capitalize) adding on to the principal. A
student will receive one 6-month grace period before repayment begins. This grace period starts the last day you attended classes at least half-time (4 credits or more).

If you are a first-time borrower at GCTS, your Financial Aid Award letter (which you must have completed the GCTS Financial Aid application and FAFSA to receive) will inform you how to complete and sign the required Master Promissory Note (MPN) and the Direct Loan Entrance Counseling tutorial online at www.studentloans.gov. (You’ll need your FAFSA pin # for access.)

**FEDERAL DIRECT GRADUATE PLUS LOAN**

The Federal Direct Graduate PLUS Loan is available to graduate students. To borrow through this loan program, the student must be eligible for federal aid and must pass a basic credit check performed by the lender—the Dept. of Education. Students may borrow up to the cost of attendance minus all other financial aid. For the 2015-2016 school year, the Federal Graduate PLUS Loan has a fixed interest rate of 7.21%. A lender fee of 4.288% will be deducted from the loan amount prior to disbursement. Interest begins to accrue upon disbursement of the loan. Loan requests can be processed any time during the academic year. Loan proceeds are distributed in two equal portions; one disbursement to be applied to the fall semester charges and the second to the spring semester charges.

**EDUCATIONAL TAX BENEFITS**

The Taxpayer Relief Act of 1997 created new tax benefits to those paying for higher education. More information is available through the Internal Revenue Service (www.irs.gov) search for *Publication 970, Tax Benefits for Education.*

**APPEAL PROCESS**

If you feel the financial aid decision does not accurately reflect your need, you may request another review. Your request must be in writing and should clearly state your reasons for the appeal. An appeal does not guarantee additional assistance. Appeals are not reviewed until well after the semester begins. Therefore, your educational plans should be made on the basis of the original decision.