



OFFICE OF FINANCIAL AID UPDATE: Information You Need for Fall Term 2011

Fall 2011 Bills Due August 31

Bills for Fall term will be issued on August 11. Because they are issued before financial aid is credited to student accounts, a special item — Pending Aid — is displayed on the bill to represent your forthcoming aid funds. [More about paying your bill](#)

5 Things You Must Do to Receive Your Aid

To make sure you receive your Fall term financial aid on time, **(1)** you must enroll (no waiting lists or backpacks) for a credit hour load that is at least half-time . . . [Find out the four other things](#)

Expecting a Refund?

If you complete the 5 things by:	Your refund will be directly deposited or mailed on:
August 26	September 1
August 31	September 6
September 6	September 9

Learn about Loans

- If you've been awarded a federal loan for the Fall term, don't forget to **sign your master promissory note** by August 22 so that you'll receive your loan funds before the term begins. [Find out more](#)
- **Still need a loan?** It's not too late to apply for a Direct PLUS or Grad PLUS Loan. [Find out more](#)
- **Looking for a private loan?** See our information for [private loan borrowers](#)
- **Don't want a loan?** Instead of taking out a loan, you might be able to pay your bill in installments. Visit the [Student Financial Services website](#) to find out about the university's interest-free monthly budget payment plan.

Did You Know . . . ?

- Moving from on-campus housing to off-campus housing does not affect your financial aid, unless you are living with your parents. But remember that if you receive a financial aid refund, you will need to use it to pay your rent.
- If you are enrolled at more than one university at the same time, you may receive financial aid from only one of the institutions. [More information on conditions of your aid](#)
- You can have your funds direct deposited. [Click here](#) for more information.

- *If you receive additional funds including scholarships, departmental awards, Michigan Education Trust or veterans' benefits not listed on your award notice, you must report them to the Office of Financial Aid (even if the office making the award advises us.) They may affect your financial aid. Visit [Wolverine Access](#) to report the addition or call us.*

Coming Back to A2 in the Fall?

Remember to update your contact information in Wolverine Access and put your name on your mailbox so that your mail is delivered!

Find a Job for Fall Term

If you want to work on campus or for a university-approved off-campus employer, complete the Student Employment Application on Wolverine Access. Then check out the postings at www.studentemployment.umich.edu and look for a job that interests you.

What to do with your scholarship check? [Click here.](#)

7 Tips to Help You Budget for 2011-2012

1. *Be sure to arrive on campus with some cash in your pocket for books and other things you'll need to get settled.*
2. *If you have Work-Study in your financial aid package, you will need a Work-Study job to earn your award. Visit the [Student Employment Office](#) website. Keep in mind that it could take up to a month to receive your first paycheck.*
3. *Housing costs vary; you'll save money by having roommates.*
4. *You may save money by purchasing used books instead of new ones.*
5. *Monitor your personal and miscellaneous expenses. The financial aid budget allows \$65 per week for items such as transportation, phone calls, clothes and entertainment.*
6. *Set up Direct Deposit in Wolverine Access to have your financial aid refunds deposited in your bank account. [Find out how](#)*
7. *Visit [CashCourse](#) for more ideas and information about budgeting while you're in school.*

Share! If you are a dependent student, please share this email with your parents. You may also sign up your family and friends to receive this news email in the future. Visit Wolverine Access > Student Business > Parent/Family Authorization and check the box for Financial Aid News. Please feel free to contact us if you have questions about your financial aid. **Remember to have your UMID handy when you call or visit our office.**

Office of Financial Aid
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2500 Student Activities Bldg. and
B430 Pierpont Commons
Tel: (734) 763-6600
Email: financial.aid@umich.edu
Web: <http://www.finaid.umich.edu>



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This and other financial aid newsletters are available on the web at www.finaid.umich.edu



UNIVERSITY OF MICHIGAN
Office of Financial Aid
VOLUME 30
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newsletter

Winter Term bills are due Jan. 4, 2012: **How much will I owe?**

UNIVERSITY OF MICHIGAN STUDENT FINANCIAL SERVICES – STATEMENT OF ACCOUNT Page 1

Please make payment online by Payment Due Date at: <https://wolverineaccess.umich.edu>
Online Payment is U-M's preferred payment method.
Online Payments are posted to the student account in real-time.

Samuel Student
UMID: 00000000 Invoice Date: 12/14/2011
Amount Due: NONE
Payment Due Date: 01/05/2011

As of today, 12/14/2011, your unpaid charges due on or before 1/4/2012 are:

Charge Due	Charge	Term	Due Amount	Running Total
	AMOUNT DUE			NONE

Pay Now

Student Account Activity as of Invoice Date 12/14/2011.
Transactions after this date will be included on your next invoice.

Charges and Adjustments	End	View All	First	1-6 of 6	Last
Item Description	Term	Date Posted			Amount
ITD COMPUTING CHARGES	FA 2011	12/08/2011			2.04
MICHIGAN STUDENT ASSEMBLY	WN 2012	12/04/2011			7.19
REGISTRATION FEE	WN 2012	12/04/2011			80.00
SCHOOL & COLLEGE GOV'T FEE	WN 2012	12/04/2011			1.50
STUDENT LEGAL SERVICES	WN 2012	12/04/2011			6.00
TUITION-UGRD-EDUC-UP-RES	WN 2012	12/04/2011			6,577.00

Credits, Payments and Financial Aid

You have no transactions this period.

Pending Aid

*Pending Aid may be subtracted from the Amount Due shown above unless you are enrolled in the U-M Payment Plan. See the Student Financial Services web site for more information about Pending Aid.

Item Description	Term	Amount
* MICHIGAN GRANT	WN 2012	-4,914.00
* M-PACT SCHOLARSHIP	WN 2012	-250.00
* FED PELL GRANT	WN 2012	-1,500.00
* FED PERKINS LOAN	WN 2012	-250.00
* FED SUBSIDIZED DIRECT LOAN	WN 2012	-3,522.00
* FED UNSUB DIRECT LOAN	WN 2012	-210.00

Winter Term 2012 student bills will be issued in mid-December and are due on Jan. 4, 2012. Because bills are issued before financial aid funds are credited to student accounts, a special category called Pending Aid displays at the bottom of the bill to represent financial aid funds yet to be posted. Pending Aid is the amount of financial aid the University expects to credit to your account based on your award notice.

The Amount Due **A is the sum of charges on your student account. Subtract Pending Aid **B** from your Amount Due to determine what you owe for Winter Term.**

If you have enrolled full-time (without wait-listed classes) and signed the required documents for your awards (such as your loan documents) by Dec. 7, 2011, Pending Aid will be subtracted from the Amount Due and will appear as detail in the "Credits, Payments and Financial Aid" section.

To access your student bill online:

1. Go to Wolverine Access (<https://wolverineaccess.umich.edu/>).
2. Log on using U-M username and kerberos password.
3. Select Student Center tab.
4. Select "Account Inquiry" under the Finances section.
5. Select the Invoice/eBill to be viewed, denoted by date.

Several types of charges appear on a student's statement of account, including but not limited to: Tuition, housing, registration fees, Dining Dollars and Blue Bucks, and per-term fees for groups such as the Michigan Student Assembly, the School & College Student Government and cable service.

Special note to Friends & Family: Students may authorize up to four persons to view a bill and financial aid information. Parents/family with this access may view student information:

1. Go to Wolverine Access (<https://wolverineaccess.umich.edu/>)
2. Under the "Parents & Family" tab, select "My Student's Information"
3. Login using Friend logon or U-M username.
4. Select student from "Select a Student" drop-down box. (Note: If parent/family member has access to more than one account, each student will be listed.)
5. Click the invoice number for the invoice to be viewed/printed.

Some Important Exceptions

Some sources of financial aid – such as private and PLUS loans, graduate student instructor/research assistant tuition waivers, and third-party credits and private scholarships for which funds have not yet been received – will not appear on your December bill as pending aid. However, they will appear on your student account as soon as the funds have been credited to your account. If they have not appeared on your account by the time you pay your bill, pay the Amount Due to avoid receiving a late fee.

Winter enrollment: How do wait-listed classes affect your financial aid?

When you register for classes, remember that credit hours for wait-listed courses (marked with an orange triangle on your class schedule, as shown below) are not included in your credit hour total until you are actually admitted to the class. So while you may intend to enroll full-time, your course load may be considered part-time while you wait to be admitted to Wait-listed class.

My Fall 2008 Class Schedule						
✔ Enrolled ▲ Wait-Listed						
Class	Description	Days/Times	Room	Instructor	Units	Status
AMCULT 205-003 (40181)	Amer Cultures (Lecture)	TuTh 2:00PM - 3:00PM AUD D AH	AUD D AH	Staff		▲
AMCULT 205-004 (40183)	Amer Cultures (Discussion)	Th 5:00PM - 6:00PM 2347 MH	2347 MH	Staff	3.00	▲
ECON 102-100 (12289)	Principle Econ II (Lecture)	TuTh 11:30AM - 1:00PM 140 LORCH	140 LORCH	Staff		✔
ECON 102-104 (12295)	Principle Econ II (Discussion)	Fr 1:00PM - 2:30PM 315 DENN	315 DENN	Staff	4.00	✔
MATH 105-005 (14747)	Mat.Fcn.s,Gph (Lecture)	TuWeFr 8:30AM - 10:00AM 553 DENN	553 DENN	Staff	4.00	✔

The 3 credits for this wait-listed class will not count in the student's credit hour total. The student is registered for 8 hours – more than half-time but less than full-time.

HOW DOES THIS AFFECT YOUR FINANCIAL AID?

Your financial aid award is based on full-time enrollment, and you must be enrolled at least half-time (6 hours for undergraduates, 4 hours for graduate students) to receive any aid. If you are enrolled at least half-time but less than full-time, all of your financial aid (except Direct Loans) will be prorated and reduced to reflect the number of credit hours you are taking.

WHAT TO EXPECT IF YOU HAVE A WAIT-LISTED CLASS:

- If you are already enrolled for 12 or more hours and have an additional wait-listed class, your aid will be fully disbursed because you are considered full-time.
- When bills for winter term are issued in December, the amount of financial aid that appears on your bill as pending aid will be based on the number of credit hours you are taking- minus the wait-listed class. In addition, the wait-listed class will not appear on this bill.
- When financial aid is disbursed to your student account, the aid you receive will be prorated based on the number of credit hours you are taking. If you have scholarship(s) that require full-time enrollment before disbursement, you will not receive those funds until you are enrolled full-time.
- Once you are admitted to the wait-listed class, your enrollment level will be adjusted and the balance of your aid will be disbursed to you. You will be billed for the class.

WHAT YOU CAN DO:

- Carefully track your enrollment level if you are on a waiting list.
- If you have not been admitted to your wait-listed class and have not received all aid funds by the time winter term bill is due (Jan. 4), pay your bill to avoid a late fee.
- Once you are admitted to the wait-listed class and/or your enrollment level is full-time, remaining aid funds will be credited to your student account. If you have paid your bill and want a check for the credited amount, request a credit release from Student Financial Services.

Holiday office hours & services

Some University of Michigan offices have special hours and/or limited services before the holiday break. We encourage you to resolve any situations and/or receive answers to your questions with regard to student services and financial aid (including emergency aid funds) by **Friday, Dec. 9, 2011**. If you are not sure whether a particular office will be open or able to serve your needs before the holiday break, it is best to call first. The Office of Financial Aid will be **closed** the following days:

4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
1	2	3	4	5	6	7

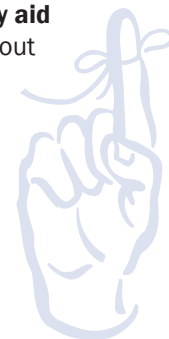
- **Dec. 15 at noon**
- **Dec. 24 - Jan. 2** (closing early on Dec. 23 and reopening on Jan. 3 at 8 a.m.)



Enrollment reminder

Enrolling in courses is not enough to secure your financial aid. **You must also attend the courses in which you enroll.** The Office of Financial Aid is required to verify that students who receive a non-passing grade (any grade other than A, B, C, D, or I) in any class actually began attending the class. For example, if you receive an E or an NR in a course, we will follow up to determine whether or not you attended the class.

Failure to attend can be expensive. Your aid could be reduced retroactively and you could be required to repay aid you have received. If you have any questions about your enrollment and eligibility for financial aid, please contact or visit the Office of Financial Aid for assistance.



Winter Term 2012 financial aid disbursement: **Receiving your aid**

WHEN:

The first disbursement for winter term (for all students except graduate students in Business Administration) is scheduled so that financial aid checks will be mailed to students or aid funds will be deposited in bank accounts (for those with direct deposit) on:

TUESDAY, JAN. 3, 2012

Checks for graduate students in Business Administration will be deposited or mailed on Jan. 9, 2012.

HOW:

Financial aid funds are directly applied toward the current term tuition, fees, and residence hall charges appearing on your student account; any excess funds will be refunded to you in one of two ways:

1. Deposited in your bank account if you have direct deposit. If you do not have direct deposit and you would like it, select Direct Deposit from the Wolverine Access Student Business menu (<https://wolverineaccess.umich.edu>).

OR

2. By check mailed to your current (local) address listed on Wolverine Access. If you do not have a current/local address listed, the check will go to your permanent address. Be sure your address is updated on Wolverine Access by Dec. 23, 2011.

TWO IMPORTANT NOTES:

- At the time of disbursement, if you are enrolled less than full-time but at least half-time, all of your financial aid funds (except Direct Loans) will be prorated and reduced based on your level of enrollment (you will receive aid awards proportional to the number of hours you take).
- If you have ever made a cash payment to your account, any refund you are owed will not automatically be sent to you. Instead, a credit will appear on your account. You can have the refund released to you by contacting Student Financial Services.

Work-Study students: **Don't forget to file a new W-4**

Students who claimed themselves exempt from payroll taxes on their 2011 Work-Study wages must file new W-4 forms in January to continue this exemption for 2012. Otherwise, taxes will be deducted from paychecks beginning in February 2012.

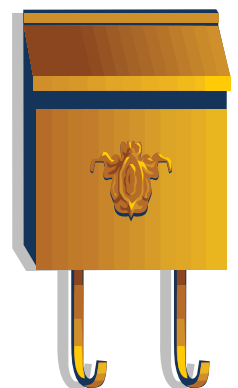
Questions? Contact the U-M Payroll Office at (734) 615-2000.

Is Winter Term the **first time** you are receiving aid this academic year? Be sure that you have:

- Received a 2011-2012 award notification.
- Provided to the Office of Financial Aid all other documents requested.
- Completed Entrance Counseling at studentloans.gov for your Direct Loan(s) if you are an entering undergraduate.
- Completed a Direct Loan Master Promissory Note (at studentloans.gov), if you were awarded Direct Loan funds. *Note: If you completed a Direct Loan Master Promissory Note at U-M and received a loan within the last 12 months, do not complete another one.*
- Completed a Perkins, Health Professions, and/or Nursing Student Loan Master Promissory Note and a rights and responsibilities statement if you were awarded any of these loan funds (see Wolverine Access: **Students > Student Business > Financial Aid > Aid Year 2012 > Loans**).
- Resolved any academic holds. Disbursement cannot occur until the holds are lifted.

Steps to receiving your Winter aid:

- ▶ **Be sure you are registered at least half-time** (6 hours for undergraduates and 4 hours for graduate students) by 5 p.m. on **Dec. 23, 2011**, in order to have your aid funds directly deposited or mailed to you on Jan. 3, 2012 (Jan. 9 for GBA students). *Note: Your aid will be prorated if you are not enrolled full-time (see **Two Important Notes**, at left). Wait-listed courses do not count when determining your enrollment level (see page 2).*
- ▶ After Jan. 4, students who register by 5 p.m. on Wednesday of any given week should receive their refunds the Monday following their registration.
- ▶ **If you are receiving aid for the first time this academic year**, see the requirements listed in the box above.
- ▶ **Put your name on your mailbox!** The Post Office will **not** deliver first-class mail to mailboxes without names listed on them in apartment buildings, student rooming houses, etc. Be sure your name is on your mailbox before Jan. 2, 2012.



Continuing U-M students: How to apply for 2012-2013 Fall/Winter aid

- 1. January 2012:** The Office of Financial Aid (OFA) will send you an email directing you to an application website with links to the 2012-2013 application forms, deadline dates, and so on.
- 2. January 1 - April 30, 2012:** Complete the Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov to be considered for all aid programs. We recommend that you file your FAFSA early to allow for federal processing time and to ensure that you meet the deadlines for every source of aid. The new FAFSA is available on Jan. 1.
- 3. Parent Information and Signatures:** Dependent students and those applying for the Health Professions Loan must provide their parents' income information, birth dates, Social Security numbers, and one parent signature on the FAFSA. Failing to provide information or signatures will result in a rejected FAFSA, which can jeopardize your priority for aid.
- 4. Once You Submit Your FAFSA:**
 - If you provide an email address on your FAFSA, the Department of Education will send your Student Aid Report (SAR) by email.
 - OFA will send you an email if additional application documents are required to process your aid (you can also check Wolverine Access: **Student Business > Financial Aid > Aid Year 2013 > Documents/Review**). If additional documents are requested, OFA must receive them by May 31.
 - OFA will send you an email when your financial aid award notice is available on Wolverine Access.
- 5. Complete or update your scholarship profile:**

See the My Scholarship Profile link at: www.finaid.umich.edu/ScholarshipsandGrants.

Notes:

- *Continuing students are not required to complete a new CSS/Financial Aid PROFILE application.*
- *Students who file their FAFSA by March 1 will also be considered for the Michigan Competitive Scholarship.*

In brief

SPRING-SUMMER MATERIALS AVAILABLE AT THE END OF JANUARY

If you are planning to attend individual spring or summer terms or the 16-week combined Spring-Summer term at U-M, the 2012 Request for Funds (RFF) form and instructions will be available on the Office of Financial Aid website (www.finaid.umich.edu) by the end of January 2012.

Aid funds for the spring and summer terms are limited. Students planning to attend any of these terms must complete the RFF, which informs the Office of Financial Aid that you will be attending and collects other needed information such as enrollment data which is not on the FAFSA. **Be sure to apply by the priority deadline of March 9, 2012.**

Please also note that you must register for classes in order to receive a financial aid offer from U-M.

If you plan to study abroad for spring/summer, please complete the Request for Funds as soon as possible after Jan. 31, 2012. Students studying abroad through non-UM programs do not need to complete the RFF.

DO YOUR PARENTS NEED A PIN OR A FRIEND ACCOUNT?

Get a PIN: A U.S. Department of Education Personal Identification Number enables you to apply for financial aid and make corrections to your Free Application for Federal Student Aid (FAFSA) online. You can also use it to obtain information about your federal loans. Parents are strongly encouraged to get their own PIN to use in place of a signature for the online FAFSA.

Get a friend account: Students can authorize up to four friends or family members to view personal financial aid and student account information on Wolverine Access (<https://wolverineaccess.umich.edu/>). Under the Student tab, login to the Student Business section and go to **Student Center > Parent/Family Authorization** to sign up. Students can also sign up their Friends & Family to receive this Office of Financial Aid newsletter.

ASK THE IRS TO SHARE INFORMATION FOR THE FAFSA

All U-M students applying for financial aid must fill out a new Free Application for Federal Student Aid (FAFSA) each year in the spring prior to the new academic year to be considered for financial aid in the Fall and Winter terms. The new FAFSA is available on Jan. 1 each year.

Parents can help with this process by filing their federal income taxes early and giving permission for the U.S. Department of Education to use their IRS financial information for the student FAFSA. By giving this permission, financial information will automatically populate fields when students complete the FAFSA, streamlining the financial aid process.

Consider options before dropping

When and how many classes you drop will affect your financial aid.

COMPLETE WITHDRAWAL:

If you withdraw completely from winter term 2012 **before March 19**, your aid will be prorated based on the length of time you were enrolled. If you need to repay any financial aid funds that you received, your student account will be charged. For more information on withdrawal, see www.finaid.umich.edu/Home/ReceivingYourAid/WithdrawingandYourFinancialAid.aspx.

ATTEND LESS THAN FULL-TIME:

You must attend at least half-time (6 hours for undergraduates, 4 hours for graduate students) to receive most types of financial aid. If you are attending at least half-time, but less than full-time (6 to 11 hours for undergraduates, 4 to 7 hours for graduate students), you might not be eligible for the amount of financial aid you were originally offered. If you do not enroll full-time or you drop to less than full-time **before Jan. 24**, the Office of Financial Aid will adjust your cost of attendance and your financial aid. If you drop to less than full-time **on or after Jan. 24 AND** there is no adjustment to your tuition charges, your need-based financial aid will not be adjusted. However, if you have a merit-based scholarship or award that requires full-time enrollment, you should check with the scholarship provider to determine whether dropping under full-time will affect your scholarship.

Did you know...

DIRECT PLUS LOANS ARE AVAILABLE FOR PARENTS, GRAD STUDENTS

Parents and graduate students who are not eligible for other types of financial aid may be interested in the unsubsidized Direct PLUS Loan. Eligibility is not based on financial need, and grad students and parents of undergraduates may borrow up to the student's cost of attendance minus other financial assistance the student receives.

A separate application must be made for a PLUS loan. They may be of particular interest to students and parents who:

- are not eligible for other types of financial aid,
- have unusual costs above the standard student expense budgets,
- need more help after other forms of financial aid have been awarded, or
- wish to borrow all or part of their Expected Family Contribution.

PLUS Loans offer the stability of federal funding, a fixed interest rate, and have repayment and deferment options. Visit www.finaid.umich.edu/PLUS or call us at 734-763-6600.

Students: Beware of employment scams and follow these tips

The U-M Student Employment Office and partner CashCourse warns university students not to fall victim to employment scams and fraudulent and unethical job postings.

U-M's CashCourse website (cashcourse.org/umofa) offers information about this, as well as other student employment tips. "Keep in mind that legitimate businesses don't charge money to hire employees or get them started in a job," according to information on CashCourse.org. "If you have to pay a fee to get a job, it's probably a scam."

U-M's Student Employment Office advises students to consider these tips when seeking employment:

1. Use common sense when applying for and engaging in off-campus employment.
2. If a potential employer asks you to participate in an activity that makes you feel uncomfortable in any way, don't do it.
3. Be wary of check-cashing scams. If someone asks you to deposit a check or money order into your personal account and send money to another individual, you should refuse.
4. Don't deposit a check or money order into your personal bank account and forward a percentage of the amount deposited to the new employer, keeping a percentage as your commission.

5. Avoid job listings that use language such as "money transfers" or "wiring funds" and never transfer or wire money to an employer. If a legitimate employer requires you to transfer money as part of your job, the money should be withdrawn from the employer's business account, not your personal account.
6. Do not give out personal financial information. A potential, legitimate employer will not request your bank account, credit card or Paypal account number or other information.
7. Do not fax copies of your identification or Social Security number to someone you have never met. Offer these documents to your employer only when you are physically at the place of employment.

Visit the U-M CashCourse website (cashcourse.org/umofa) for information about identity theft and protecting your credit. Visit the U-M Student Employment Office website for job postings and other employment-related information at www.studentemployment.umich.edu.

The Student Employment Office strives to provide accurate information on its website; however, we cannot guarantee the legitimacy of all postings. A full disclaimer statement is posted on the Student Employment Office website.

Legislative and executive changes in 2011 will affect Direct Loan borrowers

BUDGET CONTROL ACT ENDS GRADUATE LOAN SUBSIDIES AND DIRECT LOAN REPAYMENT INCENTIVES

A number of federal initiatives, through both the legislative and executive branches, are expected to impact federal financial aid in 2012. These include the Budget Control Act of 2011 and a proposed executive plan that will affect students borrowing under the Direct Loan program.

The Budget Control Act of 2011, passed and signed into law in August, will do the following:

- **Interest Subsidy for Graduate Students:** The Act eliminates in-school interest subsidy for graduate and professional students beginning July 1, 2012. The subsidy elimination does not apply to students taking preparatory coursework and those in programs leading to teacher certification where the credential is awarded by the state instead of the institution.
- **Direct Loan repayment incentives:** The language prohibits the U.S. Department of Education from authorizing or providing repayment incentives on new loans disbursed on or after July 1, 2012. One exception: An interest rate reduction may be provided to a borrower who agrees to automatically debit electronic loan payments.
- **Pell Grants:** The Pell Grant program received mandatory funding for fiscal years 2012 and 2013 under the BCA legislation, which would preserve the \$5,550 maximum grant award. However, the future of Pell funding continues under discussion by a 12-member bipartisan Congressional committee that is charged with reducing the federal deficit by another \$1.5 trillion by the end of November. It is unclear at this time how that will further impact financial aid, including Pell Grants.

EXECUTIVE PROPOSAL WOULD LIMIT FEDERAL LOAN REPAYMENTS, GIVING STUDENT BORROWERS RELIEF

In late October, President Barack Obama issued an executive order that would give student borrowers who took out a loan in 2008 or later and who will take out new loans in 2012 a chance to limit their loan payments. The order also would allow some students to consolidate their loans.

Specific details of how the plan will be implemented are still being worked out at the federal level. The order proposes to:

- limit monthly payments to 10 percent of discretionary income (down from the current 15 percent) and
- forgive remaining debt after 20 years (instead of the current 25 years.)

The proposal would also allow students with Federal Family Education Loans and Direct Loans to consolidate them into one Direct Loan for ease of payment and savings. This special consolidation is expected to take place from Jan. 1 through June 30, 2012, allowing students to keep the terms and conditions of their initial loans. At U-M, this could affect graduate and transfer students.

Late on your loans?



If you are delinquent on your federal student loans, a liaison is available in the Office of Financial Aid to facilitate contact with the U.S. Department of Education and to assist you in understanding other repayment options. Call us at 734-763-6600.

Federal government contracts with 6 Direct Loan servicers

The U.S. Department of Education has contracted with six organizations to provide loan servicing for borrowers of Federal Direct Subsidized, Federal Direct Unsubsidized and Federal Direct Parent (PLUS) Loans. Loans are sent for servicing once a promissory note is completed and disbursement is made.

It is the intention of the Direct Loan program to have all federally held loans for an individual borrower be with one loan servicer. However, it is possible that student and parent borrowers from the same family could have loans serviced by different organizations.

Borrowers will have their federal loans serviced by one of the six loan servicers listed below. Loans will be automatically assigned and students and parents can view a complete online loan history, including details of servicers for each loan, at www.nsls.ed.gov. (Access to this site requires a Department of Education PIN.)

Following are contacts for federally approved loan servicing providers, or visit the following U.S. Department of Education web page for information: <http://studentaid.ed.gov/>.

- **Direct Loan Servicing Center (ACS):** www.myedaccount.com (800- 848-0979)
- **FedLoan Servicing (PHEAA):** www.myfedloan.org (800-699-2908)
- **Great Lakes Educational Loan Services:** www.mygreatlakes.org (800-236-4300)
- **MOHELA:** www.mohela.com (888-866-4352)
- **Nelnet Education Planning and Financing:** www.nelnet.com (888-486-4722)
- **SallieMae:** www.salliemae.com (800-722-1300)

Borrowers can access online required entrance counseling and sign master promissory notes at www.studentloans.gov; required online exit counseling can be found at www.nsls.ed.gov

CENTRAL CAMPUS: 2500 Student Activities Bldg.
NORTH CAMPUS: B430 Pierpont Commons
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This newsletter and an archive are available on the web at www.finaid.umich.edu

FEBRUARY 2012



UNIVERSITY OF MICHIGAN

Office of Financial Aid

VOLUME 30
ISSUE 3

newsletter

IMPORTANT Fall/Winter 2012-2013 Dates

APRIL 30, 2012

U-M PRIORITY DEADLINE

Note that OFA must **RECEIVE your FAFSA** from the federal processor by April 30, so you should apply well before the deadline. (Allow 3-4 weeks for processing.)

JUNE 1, 2012

U-M SECONDARY DEADLINE

If you are asked to submit additional documents, OFA **must receive** them by this date to consider you for all aid programs.

LOOKING for something?

Direct Loan Entrance Counseling:
<https://StudentLoans.gov>

Direct Loan Exit Counseling:
www.nsls.ed.gov

Direct Loan Master Promissory Note:
<https://StudentLoans.gov>

Student Employment Office:
www.studentemployment.umich.edu

Apply Now for Fall/Winter 2012-2013 Aid!

Continuing U-M students who want to apply for financial aid for next year must submit a 2012-2013 Free Application for Federal Student Aid (FAFSA). Complete and submit the FAFSA at www.fafsa.gov.

WHEN TO APPLY:

- We **must receive your FAFSA** by **APRIL 30** in order to consider you for all federal and institutional aid.
- **Remember to allow 3-4 weeks for processing!** Applying early will ensure that you can still meet the U-M deadline if your FAFSA is rejected and you need to resolve a problem. Check your Student Aid Report to see if corrections are needed (see page 2).
- If OFA receives your FAFSA after April 30, you will still be considered for financial aid. However, funding may be limited and you could miss out on grant funds or Work-Study.

DID YOU KNOW?

The federal processor will reject a FAFSA if information is missing or incorrect. If your FAFSA is rejected, your application will not be processed and you must resolve the problem before the deadline. Avoid this unfortunate scenario by applying soon!

NEW THIS YEAR: Students and parents can use IRS data from tax returns to automatically populate their FAFSA. Visit www.fafsa.gov for information about the IRS Data Retrieval Tool and how to use it.

KEEP IN MIND:

- ▶ Be sure to read the complete financial aid application instructions at: www.finaid.umich.edu/CurrentStudent.
- ▶ You do not need to submit a CSS/Financial Aid PROFILE application if you have submitted one in the past.
- ▶ If your family has not filed a tax return for 2011 or plans to request an extension, you should complete the FAFSA using estimated data so that you can meet the FAFSA deadline. If necessary, estimated data can be corrected later, after your 2011 tax return is completed.
- ▶ Award notification typically begins in June for continuing students. Students are notified in the order in which they apply for aid.

After You Apply: Check Your Student Aid Report (SAR)

After you submit your FAFSA, the federal processor will review your information, calculate your Expected Family Contribution (EFC), and send a record of this information to our office. In addition, the federal processor will send you a record of your FAFSA information, called a Student Aid Report (SAR).

Be sure to review your SAR information carefully! Look to see if any comments need to be addressed. If corrections are needed, be sure to make them as soon as possible and follow the directions to submit the updated information. Confirm that the record will be sent to the University of Michigan-Ann Arbor, federal school code 002325.

Here are four common reasons for FAFSAs being rejected:

1. Parent/Student signatures are missing
2. Social Security Number is incorrect
3. Date of birth is incorrect
4. Student's name has a misspelling

A note about signatures: When completing or correcting your FAFSA, don't forget to include your signature and the signature of one of your parents (*a parent signature is required if you are a dependent student or if you are a Pharmacy or Dental student applying for Health Professions Loan funds*). **If you forget a signature, your FAFSA will be rejected and you might miss the priority deadline date to be considered for all aid programs.** You and your parent can provide your signatures electronically with separate Personal Identification Numbers (PINs) at www.fafsa.gov (select "Sign Electronically with your PIN"). To request a PIN, or if you have forgotten your PIN, visit www.pin.ed.gov. Alternatively, if you received a paper SAR, you and your parent can sign and return your paper SAR to the federal processor.

It's Scholarship Application Time!

Now is a great time to look for scholarships for Fall/Winter 2012-2013.

U-M SCHOLARSHIPS: Although students are automatically considered for most U-M scholarships, a few scholarships have special eligibility criteria and/or require a separate application. To make sure you're considered for all scholarships for which you are eligible, here's what you should do:

- Complete or update your scholarship profile in Wolverine Access. Log in to Wolverine Access and select **My Scholarship Profile** in the **Campus Finances** section. Submit information about yourself to be used in identifying your eligibility for certain university scholarships. Completing your scholarship profile does not mean you qualify for the scholarships, but it ensures that you will be in the pool for consideration when the supplemental information is needed.
- Check the OFA Scholarship Listing on our website (www.finaid.umich.edu/ScholarshipsandGrants) for scholarships that require a separate application. Apply for any for which you are eligible.

PRIVATE SCHOLARSHIPS: You can also apply for private scholarships through non-university organizations and businesses. Information on how to find and apply for private scholarships can be found on the Private Scholarships page of our website (www.finaid.umich.edu/PrivateScholarships). The site also includes a listing of many private entities that offer scholarships to college students.

▶ Take the time now to explore these scholarship opportunities! ◀

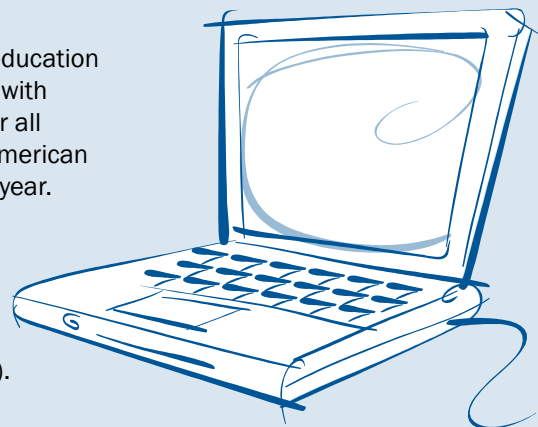
Filing Your Taxes?

Don't Forget Your Education Tax Credit

The American Opportunity Credit, approved through December 2012, allows eligible taxpayers to claim up to \$2,500 per student per year on their 2011 tax returns. Families with incomes up to \$80,000 (\$160,000 for joint filers) may claim the credit for students who are enrolled in their first four years of college. Books and course materials are included among the eligible expenses.

The Lifetime Learning Credit allows families to claim up to \$2,000 for qualified education expenses paid for students enrolled in eligible educational institutions. Families with incomes of up to \$60,000 (\$120,000 for joint filers) qualify and it is available for all years of post-secondary education. However, a taxpayer cannot claim both the American Opportunity Credit and the Lifetime Learning Credit for the same student in one year. (The Lifetime Learning Credit may be particularly helpful to graduate students, students who are taking only one course, and students who are not pursuing a degree.)

American Opportunity and Lifetime Learning Credits are claimed on Form 8863 (attached to form 1040 or 1040A). For details, see the IRS website (www.irs.gov).



Spring/Summer 2012 Financial Aid Information

If you are enrolling in Spring and/or Summer term 2012 classes, you must complete a separate application for financial aid. To apply:

- Submit a Spring/Summer Request for Funds (RFF) at www.finaid.umich.edu/forms/ by March 9 to be considered for all aid programs.
- If you have not yet completed a 2011-2012 Free Application for Federal Student Aid (FAFSA) for the current year, complete and submit the FAFSA at www.fafsa.gov by March 9.

APPLICATION DEADLINES

- ▶ **March 9, 2012:** First priority deadline for Spring/Summer aid applications
- ▶ **April 2012:** The Office of Financial Aid begins emailing award notifications to students registered at least half-time for Spring and/or Summer
- ▶ **May 11, 2012:** Final date to apply for Spring term financial aid*
- ▶ **July 13, 2012:** Final date to apply for Summer term and the combined Spring/Summer term financial aid*

*Only limited funds will be available for applicants who do not meet the March 9 priority deadline.

DISBURSEMENT DATES

Spring/Summer funds are scheduled to be available on these dates:

SPRING TERM	SUMMER TERM
April 30, 2012	June 25, 2012

RECEIVING YOUR FINANCIAL AID (Disbursement)

Your financial aid (except Work-Study) will be applied against charges on your student account; any amount beyond what you owe (called a refund) will be sent as a check to your local address. If you have direct deposit, your refund will be deposited directly into your bank account. If you would like to set up direct deposit, click on **Direct Deposit** in your Student Center on Wolverine Access.

KEEP IN MIND:

- If you have ever made a cash payment to your account, **any refund you are owed will not automatically be sent to you.** Instead, a credit (negative balance) will appear on your account. You can have the refund released to you by contacting Student Financial Services at 734-764-7447 (www.finops.umich.edu/student).
- **Grant aid** for Spring/Summer is very limited. Be sure to apply by March 9. Your financial aid award for Spring/Summer is likely to be less than the award you received for Fall/Winter, and your financial aid package may require some borrowing. Consult with your academic advisor and carefully consider whether you need to attend. You may need to save money during the Fall and Winter terms to help pay for your Spring/Summer charges.
- Note that financial aid **will not cover expenses incurred when you are not enrolled.** For example, financial aid will not cover

your rent for Summer term unless you are enrolled for Summer term.

- **Register for Spring/Summer classes during your appointed enrollment time.** If you apply for financial aid for both Spring term **and** Summers, you must enroll for both terms during your appointed enrollment time to be considered for aid for both terms.
- You **must** be registered for classes **at least half-time** in order to receive any financial aid. You must be registered before an aid package is offered to you.
- **Financial aid for Spring/Summer is initially awarded to applicants based on the assumption that they will be enrolled full-time.** If you enroll less than full-time, your aid will be reduced after the drop/add period.
- OFA will monitor your enrollment level throughout your award period. Changes to your enrollment may result in a **reduction or cancellation** of previously offered aid, **and you may be required to repay any funds already disbursed to you.**

Is My Aid Taxable?

When you're filing your 2011 taxes, remember that part or all of your **grant, scholarship, or fellowship may be taxable** even if you do not receive a W-2 form.

If you are enrolled in a degree program, the aid funds you use for expenses other than tuition and course-related expenses are taxable. To determine the taxable amount, add up all grant, scholarship, and fellowship awards received in a calendar year; then subtract all tuition, fees, and book and supply expenses. If the remaining amount is a positive number, it must be reported as income on your taxes AND on your 2012-2013 Free Application for Federal Student Aid (FAFSA). If you are not in a degree program, the full amount of the grant, scholarship, or fellowship is taxable.

You **must also report Work-Study earnings** as income on your taxes and on your 2012-2013 FAFSA. You should receive a W-2 form from your employer showing your earnings.

Moving Off Campus?

Many students wonder how moving to off-campus housing will affect their financial aid. The good news is that your move won't affect the amount of your aid; your budget for housing will remain the same as if you were living in a double room in a dorm.

However, when you move off campus, it will be up to you to pay your rent. Instead of having your housing costs deducted automatically from your student account, you will need to pay your rent from your refund. Be sure to plan accordingly since you will have four months' rent to pay for the semester.

If we can answer questions about Federal Direct Loans or other financial aid issues, contact the U-M Office of Financial Aid at 734-763-6600 or at financial.aid@umich.edu.

ACT ENDS GRAD LOAN SUBSIDIES AND DIRECT LOAN INCENTIVES

Changes due to the Budget Control Act of 2011 will affect some of the federal loan programs used by U-M students.

The Act eliminates in-school interest subsidy on federal loans for graduate and professional students for enrollment periods beginning on July 1, 2012 or later. It also prohibits the U.S. Department of Education from providing repayment incentives on new Direct Loans disbursed on or after July 1, 2012 with one exception: An interest rate reduction may be offered for automatically debited electronic payments. With this change, there will no longer be an origination fee rebate.

The Act provides mandatory funding for federal Pell grants for fiscal years 2012 and 2013, preserving the \$5,550 maximum grant award. Of the estimated \$21.6 billion in savings from the changes, \$17 billion will be redirected into the Pell program with the remaining \$4.6 going toward deficit reduction.

DIRECT SUBSIDIZED LOAN RATES INCREASING JULY 1

The interest rate for Federal Direct Subsidized Loans is scheduled to increase from 3.4 percent to 6.8 percent for undergraduate students beginning with loans first disbursed on July 1, 2012 or after.

The change concludes a decade of adjustments to student loan interest rates as mandated by the U.S. Congress. Rates were fixed from 1965 through 1993, then were made variable based on economic indicators through 2006 before being fixed at 6.8 percent. The College Cost Reduction and Access Act of 2007 phased in cuts to this fixed interest rate, resulting in these loan rates: 6 percent in 2008, 5.6 percent in 2009, 4.5 percent in 2010 and 3.4 percent in 2011.

This year, rates are scheduled to revert back to 6.8 percent, unless Congressional action changes them again.

Find details about the Federal Direct Loan program here: <http://www.direct.ed.gov/student.html>.

SPECIAL CONSOLIDATION THROUGH JUNE 30

The U.S. Department of Education is offering a short-term loan consolidation program called "Special Direct Consolidation Loans" through June 30, 2012. Students with both Federal Family Education Loans (FFEL) and Direct Loans will be offered the incentive. These are not the same as traditional Direct Consolidation Loans.

This special consolidation will benefit mainly former U-M students who are already in repayment for their loans.

Four of the Department of Education Direct Loan servicers are participating in the program and are contacting eligible students individually. FedLoan Servicing, Great Lakes Educational Loans Services, Nelnet and Sallie Mae are participating. For Special Direct Consolidation Loan eligibility information, visit www.studentaid.ed.gov/specialconsolidation.

APPLY FOR PLUS LOANS IN MID-MAY

Unsubsidized Direct PLUS Loans are available to parents of dependent undergraduates or graduate students who:

- are not eligible for other types of financial aid,
- have unusual costs above standard student expense budgets,
- have remaining financial need after other forms of financial aid have been awarded,
- wish to borrow all or part of their Expected Family Contribution.

The U-M Office of Financial aid does not begin accepting applications for 2012-2013 PLUS loans through the U.S. Department of Education website until mid-May. If you apply earlier, your application will not be accepted. If you have questions, visit www.finaid.umich.edu/PLUS for information or contact us at financial.aid@umich.edu or 734-763-6600.

