



# F.A.C.E.

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# FACTS

South Carolina Association of Student Financial Aid Administrators  
Winter 2008



## A Message From SCASFAA

It's time to start thinking about financial aid as we gear up for the tax season, financial aid nights, FAFSA and all the fun that brings. The South Carolina Association of Financial Aid Administrators (SCASFAA) continues our commitment to assisting you with helping South Carolina's students navigate the financial aid waters. Guidance counselors please keep in mind that SCASFAA may assist you with financial aid nights in your schools when needed. It seems the only constant that is reliable is change. With that in mind we have included in this issue updated information on various state and federal student aid programs. SCASFAA appreciates all that you do to help students to succeed. This issue of F.A.C.E. the Facts includes the following:

- "College Goal Sunday" on Saturday
- SC Tuition Grants Program Update
- SC Commission on Higher Education State Aid Programs
- New Student Loan Rules
- Federal Stafford Loan Interest Rate Drops
- SC National Guard College Assistance Program
- Financial Aid Tips
- Frequently Asked Questions
- Helpful Websites

We welcome all comments and suggestions. Please email Regina Hailey Smith at [rsmith@gwm.sc.edu](mailto:rsmith@gwm.sc.edu) with any concerns or questions.

### **Regina Hailey Smith**

SCASFAA Counselor/Consumer Relations  
Committee Chair  
University of South Carolina-Columbia TRIO  
Programs

## College Goal Sunday

The South Carolina Commission on Higher Education (CHE), in partnership with SCASFAA and the Lumina Foundation, is sponsoring a state-wide college financial aid event, "College Goal Sunday" (CGS) from 10 a.m. to 1 p.m. at various locations around the state during the month of February. This free event will be hosted by the following institutions:

- February 16 - Trident Technical College
- February 23 - Richland County Library/USC TRIO Programs, Columbia
- Horry Georgetown Technical College, Conway
- Tri-County Technical College, Pendleton
- Florence Darlington Technical College, Florence
- USC-Lancaster, Lancaster
- USC-Sumter, Sumter
- Clafin College, Orangeburg

\* additional sites may be added soon

Financial aid staff will be on hand at each site to assist students and parents with completing the Free Application for Federal Student Aid (FAFSA). The FAFSA is the federal application that is required to receive federal financial aid including the Federal Pell Grant and student loans. Students and families participating are asked to bring their completed 2007 tax information.

South Carolina College Goal Sunday (on Saturday) is a statewide volunteer program that provides free information and assistance to students and families who are applying for financial aid for post secondary education. College Goal Sunday brings together financial aid professionals from colleges and universities along with other volunteers to help college-bound students and their families complete the Free Application for Federal Student Aid (FAFSA) form. This form is required for any student seeking federal and state financial aid, including grants and loans at all colleges in the country.

Posters, flyers and media will be provided to all SC High Schools to assist with promoting this statewide event.

For more information, contact Ms. Meg Hurt at 843-349-2309 or Mr. Franklin Davis at 803- 737-9758. A new webpage will be available in early December, [www.collegegoalsundaysc.org](http://www.collegegoalsundaysc.org).



# SC National Guard Incentive

The South Carolina National Guard College Assistance Program (SCNG CAP)-a new program of financial assistance to members of the South Carolina Army and Air National Guard- is for providing incentives for enlisting or remaining for a specified time in both the South Carolina Army and Air National Guards (SCNG).

## Program Benefits and Maximum Assistance

Qualifying members of the National Guard may receive college assistance program benefits up to an amount equal to 100% of college cost of attendance, provided, however, these college assistance program benefits in combination with all other grants and scholarships shall not exceed the cost of attendance at the particular institutions in any given award year; and the cumulative total of all college assistance program benefits received may not exceed \$18,000. These SC National Guard College Assistance Program benefits cover the cost of attendance as defined by Title IV regulation up to a maximum of \$4,500 each award year. A member may not qualify for college assistance program benefits for more than one hundred thirty semester hours or related quarter hours.

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SC Commission on Higher Education  
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# SC State Scholarship Programs

State-funded college scholarship programs have emerged as legitimate policy option in the public education system. These programs award scholarships to all students in the state who meet the basic requirements set forth in enacting legislation. During the 2007 legislative session, the South Carolina General Assembly implemented some new and exciting additions to the state-funded scholarship programs.

The Palmetto Fellows Scholarship Program, which is administered by the South Carolina Commission on Higher Education, in its eighteenth year, has been increased from \$6,700 in the freshman year to \$7,500 in the sophomore, junior and senior years. In addition to the Palmetto Fellows Scholarship increase, the S.C. HOPE Scholarship has increased from \$2,650 to \$2,800.

Even though the state's LIFE Scholarship has increased, the base LIFE Scholarship funding has remained the same at \$5,000. The change to the Palmetto Fellows Scholarship funding stems from the new Scholarship Enhancements. Research continues to show the United States faces serious challenges in its higher education system in the mathematics and sciences areas. Recognizing this, the state of South Carolina is leading a national trend in offering additional incentives (Enhancements) for students majoring in these critical areas.

To be awarded the Palmetto Fellows or LIFE Scholarship Enhancement, students must be enrolled full-time as a degree-seeking student in an eligible mathematics or science program by the start of their second academic year of enrollment. In addition, students must meet all eligibility requirements (as stipulated by law and regulation) and be a recipient of either the base Palmetto Fellows Scholarship or the LIFE Scholarship. Beginning with the fall 2007 incoming freshman class and thereafter, all students must also earn at least fourteen credit hours of instructions in mathematics, life and physical science courses with a minimum of six hours in mathematics and minimum of six hours in life and physical science including one laboratory course by the end of the first year of enrollment in college to receive a Scholarship Enhancement. With the Scholarship Enhancement, students may receive up to an additional \$2,500 towards their cost of attendance starting with their second/sophomore year of college enrollment at an eligible four-year institution in South Carolina.

Opportunities for economic growth serve as a strong incentive for states to invest in their higher education programs. State-funded scholarships are another tool to help improve the economic environment of their state.

# SC Higher Education Tuition Grants Program

The South Carolina Tuition Grants Program is administered by the South Carolina Higher Education Tuition Grants Commission and is made possible through an annual appropriation by the South Carolina General Assembly. The purpose of the program is to provide undergraduate grant assistance to allow South Carolina residents the choice of attending full-time an eligible in-state independent college that best meets their academic needs.

Students apply for a South Carolina Tuition Grant by completing the Free Application for Federal Student Aid (FAFSA). The paper version of the FAFSA is available from all South Carolina high schools and colleges. The Commission recommends that students apply via the Internet by using the "FAFSA on the Web" found at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). By submitting the FAFSA to the federal government's processor and by listing the eligible South Carolina independent college of the student's choice in the college choice section, the Tuition Grants Commission is able to electronically receive the student's application from the federal processor. The Commission then uses the application information to calculate South Carolina Tuition Grant eligibility. In completing the FAFSA, students with e-mail addresses are asked to list their current e-mail addresses. The South Carolina Tuition Grants Commission, with the support of the South Carolina Educational Assistance Authority and the South Carolina Student Loan Corporation, sends notification of Tentative Awards via e-mail on the same day that awards are made.

The FAFSA may be submitted beginning on January 1 of the year when the student plans to attend. Students are encouraged to apply as early as possible. The Commission has an absolute deadline of June 30th each year and only eligible applications received by the federal processor through June 30 will be funded. Applicants completing the "FAFSA on the Web" should pay special attention to selecting the correct application since more than one year's application is available early in the application process. On-line applicants should also be sure to complete all steps in the process until they receive a message indicating their application is complete. It is highly recommended that students keep copies of all application information including their on-line data and the final confirmation page with the date stamp for receipt. Also, because South Carolina Tuition Grants are available only to legal residents of South Carolina, it is extremely important that students accurately complete all questions on the FAFSA regarding state residency for both themselves and their parents (if providing parental income data).

Financial need is a requirement to receive a South Carolina Tuition Grant. To calculate financial need for a South Carolina Tuition Grant, the Commission considers (1) family income, (2) family assets, (3) cost of the college selected, (4) number of family members in the household, and (5) the number of household members attending college. In addition to financial need, academic merit is required by state law to receive a South Carolina Tuition Grant. Entering freshmen must graduate in the top 75% of their final high school graduating

class OR score at least 900 on the Math and Critical Reading sections of the Scholastic Aptitude Test (SAT) OR score at least 19 for the composite score on the ACT OR graduate from high school with at least a 2.000 GPA on the South Carolina Uniform Grading Scale to meet the academic standard for eligibility. For upperclassmen, the academic standard for eligibility requires that recipients pass at least 24 semester hours of classes each year. Students who do not meet these academic standards are ineligible for a South Carolina Tuition Grant regardless of financial need.

Further questions about the South Carolina Tuition Grants Program should be addressed to the Financial Aid Office at one of the eligible participating colleges or to the South Carolina Tuition Grants Commission.

## ELIGIBLE PARTICIPATING SOUTH CAROLINA INDEPENDENT COLLEGES:

ALLEN UNIVERSITY  
ANDERSON UNIVERSITY  
BENEDICT COLLEGE  
BOB JONES UNIVERSITY  
CHARLESTON SOUTHERN UNIVERSITY  
CLAFLIN UNIVERSITY  
COKER COLLEGE  
COLUMBIA COLLEGE  
COLUMBIA INTERNATIONAL UNIVERSITY  
CONVERSE COLLEGE  
ERSKINE COLLEGE  
FURMAN UNIVERSITY  
LIMESTONE COLLEGE  
MORRIS COLLEGE  
NEWBERRY COLLEGE  
NORTH GREENVILLE UNIVERSITY  
PRESBYTERIAN COLLEGE  
SOUTHERN WESLEYAN UNIVERSITY  
SPARTANBURG METHODIST COLLEGE  
VOORHEES COLLEGE  
WOFFORD COLLEGE

South Carolina Higher Education Tuition Grants Commission  
101 Business Park Boulevard  
Suite 2100  
Columbia, SC 29203-9498  
PHONE: (803) 896-1120  
FAX: (803) 896-1126  
WEB: [www.sctuitiongrants.com](http://www.sctuitiongrants.com)  
E-MAIL: [info@sctuitiongrants.org](mailto:info@sctuitiongrants.org)

Submitted by:  
Earl Mayo  
Deputy Director

# New Student Loan Rules

The Federal student loan industry has come under intense scrutiny during the last several months. The US Department of Education has intervened and established new rules that will impact your students as they move into college.

The problem was the inappropriate relationship that developed between some student loan lenders and the colleges they served. Many of you read the newspaper accounts of schools, and school officials, receiving lavish trips, gifts and payments for directing students to particular student loan lenders. This was certainly a case of a few bad apples spoiling the whole barrel, because the vast majority of schools were not involved. I am very glad to tell you that these practices did not happen in South Carolina. College officials across the state kept their students welfare at the forefront and directed students only to lenders that provided the lowest costs and the best service.

The new rules established by the US Department of Education now prohibit colleges from directing students to a specific lender or providing recommendations as to which lender a student should use. Colleges can provide students a list of 'preferred' lenders but the student will have to choose which lender they use. Some factors students should keep in mind as they make their selection are:

- Loan Costs – While all Federal education loans have the same interest rate many lenders offer discounts, incentives and rewards that can lower the cost of the loan. These discounts, often called borrower benefits, need to be analyzed closely to determine which ones are actually the best. Private, or alternative loans, have widely varying interest rates. Beware, some lenders advertise their lowest possible rate but few may actually receive that rate, check out all the rates not just their lowest.

- Customer Service – Many lenders sell their loans to secondary markets meaning the company who makes the loan may not be the one who services it during repayment. Some lenders offer 'life-of-loan' servicing, keeping the loan in one place the entire time which make handling it simpler. Other things to look for are:

- o The lenders default rate - lower rates indicate better service
- o Online applications – simple, easy and fast
- o Online account information – available 24/7
- o Friendly, courteous staff - the student will deal with them for years

Please help your students and their families understand that they will have to make a decision and that making an educated decision can save substantial amounts of time, aggravation and money over life of that loan.

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## Federal Stafford Loan Interest Rate Drops

Undergraduate students receiving subsidized Federal Stafford Loans after July 1, 2008 will receive a fixed interest rate of 6.0%, down from the current rate of 6.8%. This rate will continue to drop annually until it reaches a low of 3.4%.

This decreased rate is only for undergraduate borrowers receiving the subsidized Stafford Loan. All graduate students and undergraduate students receiving the unsubsidized Stafford Loan will continue to receive the current 6.8% interest rate.



# Financial Aid Tips

## ➤ What is Financial Aid?

Money granted or loaned to a student to assist in the cost of paying for college.

## ➤ What sources of Financial Aid are there?

### **The Federal Government:**

- U.S. Department of Education
- U.S. Department of Veterans Affairs
- Individual Grant programs (i.e. Americorp, WIA)

### **State Government:**

- S.C. Commission on Higher Education

### **Educational Institutes:**

- Public and Private Colleges, Universities and Technical Institutes

### **Private Agencies:**

- Student Loan lending agencies (i.e. South Carolina Student Loan Corporation)
- Organizations and Associations awarding grants and scholarships (i.e. Rotary Club, Coca-Cola)
- Any organization that makes awards

## ➤ What types of Financial Aid are there?

**Grants:** Free money awarded primarily on need

**Scholarships:** Free money awarded on merit

**Loans:** Money borrowed by a student to pay for college, that must be paid back. Some are based on need.

**Work Study:** Employment at an educational institution that works around the student's school schedule. Usually awarded on need. Paychecks are earned; aid is not applied up front to bill.

## ➤ How do I apply for Grants and Scholarships?

### **The Free Application for Federal Student Aid:**

The FAFSA determines eligibility for:

- **Federal Awards:** Pell Grant, SEOG, A.C. Grant, Smart Grant, College Work Study, Perkins Loans, Federally Guaranteed Stafford Loans, etc...;
- **State Awards:** Lottery Tuition Assistance, South Carolina Need Based Grant, and South Carolina Tuition Grant;
- **Private Awards:** some grants and loans from private agencies.

### **Scholarships Applications:**

- **May be required for some scholarships**
- **Usually require an essay**
- **Often available as early as November**
- **Contact the awarding agency for a form**

## ➤ How do I apply for Federal and Alternative Loans?

### **Federally Guaranteed Loans:**

- **Federally Guaranteed (no credit check)**  
Perkins Loans: School is the lender  
Direct Stafford Loans: Government is the lender  
FFELP Stafford Loans: Private lenders
- **FAFSA required**
- **Choose a Lender (if FFELP)**
- **Promissory Note must be signed**
- **Loan Entrance Counseling required**
- **Certification of Enrollment required**

### **Alternative Loans: Private lenders**

- **May require Credit Check or Cosigner**
- **Loan Application required**
- **Promissory Note must be signed**
- **Might require Certification of Enrollment**

## ➤ Do I have to apply for the LIFE, HOPE or Palmetto Fellows Scholarships?

**No.** Eligibility is determined from your admissions application at the institution. To determine eligibility the institution requires the *High School transcript, SAT or ACT scores, and proof of residency in South Carolina.* The Financial Aid Office will notify you of your award, and require you to *sign an affidavit.*

## ➤ What is Verification?

**Verification is when the Financial Aid Office has to compare the information from your Free Application for Federal Student Aid (FAFSA) to your income and tax information, to verify its accuracy. 1 in 3 applicants are selected randomly by the U.S. Department of Education. This must be completed before you can be awarded financial aid.**

## ➤ Will I have to complete any other paperwork?

**Yes.** After you have been awarded financial aid, you may be asked to complete other forms required. Be sure to sign and return these in a timely manner.

## ➤ Do I have to make good grades to keep my awards?

**Yes.** Federal Student Aid, State Aid, and most Institutional Aid require students to be meeting "Satisfactory Academic Progress" (SAP). This will require you to maintain a *passing Grade Point Average* and be *progressing towards the completion of your degree* at a reasonable rate. Each institution is allowed to set its own measures for SAP.

## Important Web Sites

<http://www.pin.ed.gov>

<http://www.fafsa.ed.gov/>

<http://studentaid.ed.gov/>

<http://www.che400.state.sc.us/>

<http://www.sctuitiongrants.com/>

<http://www.scgrad.org/>

<http://www.gibill.va.gov/>

<http://www.scstudentloan.org/>

<http://www.collegegoalsundaysc.org/> College Goal Sunday (Feb 16<sup>th</sup>-23<sup>rd</sup> 2008; Get free assistance filing the FAFSA)

Register for a Personal Identification Number (PIN) for you and your parents to sign the FAFSA

File the Free Application for Federal Student Aid on-line for FREE

A student's guide to Federal Student Aid

The South Carolina Commission on Higher Education, click on

The South Carolina Tuition Grant for Private Schools.

The South Carolina Tuition Prepayment Program

For Veterans of the Armed Forces, the GI Bill is a resource for VA Education Benefits

The South Carolina Student Loan Corp. administers the *South Carolina Teacher's Loan*



## Financial Aid Frequently Asked Questions

### General Questions

- **How do I apply for Federal and State Student Financial Aid?**
  - For LIFE, Palmetto Fellows and Hope Scholarships your eligibility will be determined by the institution you attend.
  - For all other State awards and for Federal Financial aid, you must file the FAFSA
- **What's the FAFSA and how do I file it?**
  - The Free Application for Federal Student Aid <http://www.fafsa.ed.gov/>
  - Get a PIN for both you and your parents <http://www.pin.ed.gov/>
  - Complete a FAFSA on the Web worksheet (not required, but helpful)
  - File the FAFSA online, using the PINs to sign
  - Make sure you list each school you are interested in.
- **When should I File?**
  - Beginning January 1<sup>st</sup>, 2008
  - After you have completed your 2007 Federal Taxes
  - Before March 30<sup>th</sup> 2008 for best chance at getting limited funding awards
- **What will I need to file my FAFSA?**
  - Your and your parents' 2007 Federal Tax Returns and W-2s
  - A Federal PIN for both you and your parents
  - Exact amounts received in welfare, social security, disability, retirement and other such benefits.
  - Access to a computer with internet capability
- **What are the base eligibility requirements for Federal Student Aid?**
  - Must have a high school diploma or GED.
  - Must be enrolled or accepted for enrollment as a regular student working toward a degree or certificate in an eligible program.
  - Must be a US citizen, permanent U.S. Resident or other eligible non-citizen.
  - Must have a valid Social Security Number.
  - Must be registered with the Selective Service, if male.
  - There are other eligibility criteria, but rarely an issue.

### Questions on Filing the FAFSA

- **Am I working on a Master's or Doctorate Degree?**
  - While you may intend to, you aren't working on such a degree until you finish your undergraduate program and are admitted into the higher
- **I have a child, why can't I claim her on my FAFSA as a dependent?**
  - For Financial Aid Purposes only, you must provide at least half of the support to consider that child a dependent. If someone else supports her they can count her as their dependent.
- **Am I Independent?**
  - If you can answer yes to any of these you are Independent:
    - Born before January 1<sup>st</sup>, 1985?
    - Parents Deceased and not adopted?
    - Married?
    - Children or other dependents for whom you provide 50% of their support?
    - Other dependents for whom you provide 50% or more of their support?
    - Serving on Active duty?
    - Veteran?
  - Unfortunately living on your own and claiming yourself on your taxes isn't enough. The U.S. Department of Education will consider parents as a financial resource until you are at least 24.
- **My parents are Divorced, whose information do I use?**
  - Use your Custodial Parents' information.
  - If there isn't a custody agreement, use the parent who you lived with for more than 50% of the year.
  - If you lived with both parents equally, you must select one and should not change it.
  - If your custodial parent is remarried, you must also use your Step-Parent's information.

- **Who is considered a parent?**
  - A parent is either a biological parent or an adoptive parent. A legal guardian is not considered a parent. If you live with someone who didn't adopt you, you will still need your parents' information.
- **Do I need to File Taxes?**
  - You must file if you have more than \$5150 in earned income or more than \$850 in unearned income.
- **What are some common Mistakes?**
  - Leaving one parent's income out of the AGI
  - Reporting total income from W-2s as AGI. AGI is only found on the Federal Tax Forms.
  - Reporting Taxes Paid in the AGI field. AGI is a total of your income, not what you paid.
  - Reporting Withholdings on W-2s as Taxes Paid, you must report actual paid taxes (which would be minus the refund you received)
- **Wow these worksheets are complex, what do I put here?**
  - On the ABC Worksheets, if you don't know what it is you probably don't have it
  - Social Security Benefits should be reported on Worksheet A
  - Child Support RECEIVED is included on Worksheet B
  - Child Support you PAID is included on Worksheet C (reduces total income considered)
- **What does the FAFSA tell me?**
  - Verifies that a student is eligible for Federal Student Aid
  - It determines the Expected Family Contribution (EFC)
  - EFC: The portion of a student's Cost of Attendance that the student and the student's family are expected to be able to contribute. Also used to determine a student's Pell Grant Eligibility.
  - **Cost of Attendance:** The total cost of living and educational expenses while attending college, which is determined by the college. Cost of Attendance is set as the limit a student may receive in any financial aid (if receiving Federal Student Aid).
  - **Need Based Aid:** Any financial aid that is awarded based on a student's Need.
  - **Need:** The Cost of Attendance that is not met by the Expected Family Contribution, which is set as the limit the student may receive in Need Based Aid.
    - $COA - EFC = NEED$

### Questions about what happens after you File the FAFSA

- **How long will it take for the FAFSA to reach the institution?**
  - Usually 1 week
  - Institutions may only download applications a couple times a week, which may increase the time.
  - Some institutions do not begin processing applications until April or even later.
- **I was selected for Verification, what does that mean?**
  - Verification is when the Department of Education wants the College Financial Aid Office to verify a student's eligibility for aid.
  - A student selected for verification must provide supporting documentation to the Financial Aid Office of the College.
  - The student must complete a Verification Worksheet, and provide copies of Federal Tax Returns, as well as any other documentation the College requests.
  - 1 in 3 applicants is randomly selected for Verification.
- **When will I be awarded Financial Aid?**
  - Most institutions do not begin awarding until April.
  - Every institution you applied to has to award you separately.
  - Not all funds are available at all schools. Only Palmetto Fellows, LIFE, Hope, Lottery and Pell Grant are guaranteed awards if you are eligible.
  - Not all Financial Aid is awarded at the same time, and when new awards are added later prior awards may change.
- **Will I need to complete any other paperwork?**
  - Yes, some institutions require you to accept your awards
  - State Grants and Scholarships require you to sign an affidavit
  - Loans require you to sign a Promissory Note and complete Entrance Counseling.
  - You may be asked for other documentation by the institution.

- **Will I need to keep good grades to keep my financial aid?**
  - For all Federal Student Aid and most other types of aid a student must maintain Satisfactory Academic Progress (SAP).
  - The student must be progressing towards the completion of the degree in a reasonable time frame.
  - The student must maintain a reasonable academic success (usually GPA) and do so in a reasonable time frame (usually within 150% of the time it normally would take to complete the degree).