

**KNOWLEDGE SYSTEMS INSTITUTE  
GRADUATE SCHOOL OF COMPUTER & INFORMATION SCIENCES**

**Office of Financial Aid**

**FINANCIAL AID POLICIES**

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## TABLE OF CONTENTS

SECTION TITLE	PAGE
General Overview	1
Financial Assistance	1
Student Loans	1
Federal Direct Loan Program	1
Subsidized & Unsubsidized Loans	1
Financial Aid Eligibility	2
Process for Application, Award, and Disbursement	3
Yearly & Lifetime Loan Limits	4
Satisfactory Academic Progress Policy	5
Return of Title IV Funds Policy	6
Financial Assistance Eligibility Definitions	8
Calculation of Eligibility Dates	9

## GENERAL OVERVIEW

### Financial Assistance

KSI is certified by the Department of Education to participate in the Title IV Student Financial Assistance Program. The school offers College Work Study (CWA) and offers loans through the William D. Ford Federal Direct (Stafford) Loan program, in which borrowers obtain loan funds directly from the US Department of Education. Applicants must be a U.S. citizen or eligible non-citizen. Application materials are available from the Administrative Office.

### Student Loans

KSI will assist students in applying for Federal Guaranteed Student Loans (GSL). For general information about the Federal Direct Loan Program, read below and visit: <http://studentaid.ed.gov/PORTALSWebApp/students/english/studentloans.jsp>

### Federal Direct Loan Program

The Federal Direct (Stafford) Loan Program offers low-interest, long-term education loans to qualified students. These loans are made available through a cooperative effort of ISAC, private lending institutions, and the Federal Government. Lenders lend their own funds; and ISAC and the Federal Government back the loans. In order to qualify, the student must: (a) be a U.S. Citizen (including a U.S. National or a permanent resident of the Trust Territory of the Pacific Island, Guam, or the Northern Mariana Islands), or (b) an eligible non-citizen. \* (*\*A U.S. permanent resident who has an Alien Registration Receipt Card (I-151 or I-551), or a non-citizen with a Departure Record (I-94) from the U.S. Immigration and Naturalization Service showing any one of the following designations: (1) "Refugee," (2) "Asylum Granted," (3) "Indefinite Parole" and/or "Humanitarian Parole," or (4) "Cuban-Haitian Entrant."*)

The maximum award depends on length of enrollment and year in school. Please see the "Loan Amounts" section below for exact determinations on loan limits.

Students must sign a promissory note, agreeing to repay the loan. Under certain conditions, repayment may be deferred (postponed) or cancelled.

Should your enrollment at KSI end before the completion of your studies due to the discontinuation of your studies or failure, all loan dispersals will be sent back to the lender and **will not** be handed to the student. Loans given for educational purposes, through KSI, shall only be used towards your studies here at KSI. For more information, see "Return of Title IV Funds" section below.

As a graduate school, students may only receive Direct Unsubsidized Loans for the MS Degree Program

### Overview of Direct Unsubsidized Loans

- Direct Unsubsidized Loans are available to undergraduate and graduate students; there is no requirement to demonstrate financial need.
- Your school determines the amount you can borrow based on your cost of attendance and other financial aid you receive.
- You are responsible for paying the interest on a Direct Unsubsidized Loan during all periods.
- If you choose not to pay the interest while you are in school and during grace periods and deferment or *forbearance* periods, your interest will accrue (accumulate) and be capitalized (that is, your interest will be added to the principal amount of your loan).

## FINANCIAL AID ELIGIBILITY

Students must meet the following minimum criteria to be eligible for most federal, state and institutional funding:

- Must meet eligibility requirements set by the U.S. Dept. of Education.
- Must: (a) be a U.S. Citizen (including a U.S. National or a permanent resident of the Trust Territory of the Pacific Island, Guam, or the Northern Mariana Islands), or (b) an eligible non-citizen. \*  
(\*A U.S. permanent resident who has an Alien Registration Receipt Card (I-151 or I-551), or a non-citizen with a Departure Record (I-94) from the U.S. Immigration and Naturalization Service showing any one of the following designations: (1) "Refugee," (2) "Asylum Granted," (3) "Indefinite Parole" and/or "Humanitarian Parole," or (4) "Cuban-Haitian Entrant.")
- Must file a FAFSA for the current academic year.
- Must be admitted as a degree-seeking student to the MS Degree Program.
- Must be registered with the Selective Service Administration, if required by law.
- Must not be in default on any prior student loan.
- Must not owe a repayment on any Title IV financial aid.
- Must be making Satisfactory Academic Progress.
- Must submit all requested documents and those documents must not be found to limit your eligibility.
- Must enroll in KSI classes such that it allows for disbursement of your offered financial aid.

Questions regarding student eligibility should be directed to the Financial Aid Office.

## PROCESS FOR APPLICATION, AWARD, AND DISBURSEMENT

Students interested in borrowing under the Federal Stafford Student Loan Program must:

1. Complete the basic financial aid application process (file the FAFSA and provide all requested documents to the Financial Aid Office. The first step is to obtain a student aid PIN by visiting <http://www.pin.ed.gov/PINWebApp/pinindex.jsp>. The next step is to login to the website <http://studentloan.gov> where you will sign the MPN and complete entrance counseling. (see steps below)

2. Complete FAFSA entrance counseling. Students must complete entrance counseling before loan disbursement on the website: <https://studentloans.gov/myDirectLoan/index.action>

3. Complete an Entrance Interview provided by the Financial Aid Office. Entrance and Exit Interviews are conducted with all borrowers and prospective borrowers to help them to understand their rights and responsibilities to the college, lenders, servicers, future students, and to themselves. The goals of the entrance interview are:

- Assist students in the completion of forms.
- Assist students with preparing educational, personal and household budgets (on request).
- Review requirements for satisfactory academic progress
- Explore all sources of aid (scholarships, gifts, veteran benefits, agency assistance, etc.).
- Review college refund policy.
- Stress constraints of aid.
- Urge students to read and save all loan documents.
- Describe consequences of multiple borrowing.
- Explain sale and servicing of loans.
- Review loan repayment obligations.
- Provide data on average anticipated monthly payments.
- Provide name, address and phone number of lender.
- Verify school record of borrower's name, SSN, references, and driver's license number.
- Stress the importance of keeping the lender and school informed of any changes of name, address, marital status, financial status, etc.

4. Submit a completed Master Promissory Note for Federal Stafford Loans (MPN) to the Financial Aid Office and/or the Department of Education. This can be completed online at [studentloan.gov](http://studentloan.gov). Once students have completed these steps, the financial aid office will be able to create a Federal Direct Loan and schedule loan disbursements to the student's KSI account.

5. Notify the Office of Academic Affairs (by completing add/drop forms) of all changes to enrollment (credit hours carried).

**YEARLY & LIFETIME LOAN LIMITS**

Through debt management and loan counseling, students are discouraged from borrowing more than can be financed by the "recommended" eight percent of projected first year earnings (available from the KSI Financial Aid Office). KSI reserves the right, as granted by the U.S. Dept. of Education, to refuse to certify a student's Stafford loan or to certify the loan for an amount less than the established federal limits. In that instance, KSI must document the reason and provide that written explanation to the student. KSI's decision is final and cannot be appealed to the Dept. of Education.

The following chart shows the annual and aggregate limits for subsidized and unsubsidized loans.

<b>Year</b>	<b>Dependent Students (except students whose parents are unable to obtain PLUS Loans)</b>	<b>Independent Students (and dependent undergraduate students whose parents are unable to obtain PLUS Loans)</b>
First-Year Undergraduate Annual Loan Limit	\$5,500—No more than \$3,500 of this amount may be in subsidized loans.	\$9,500—No more than \$3,500 of this amount may be in subsidized loans.
Second-Year Undergraduate Annual Loan Limit	\$6,500—No more than \$4,500 of this amount may be in subsidized loans.	\$10,500—No more than \$4,500 of this amount may be in subsidized loans.
Third-Year and Beyond Undergraduate Annual Loan Limit	\$7,500—No more than \$5,500 of this amount may be in subsidized loans.	\$12,500—No more than \$5,500 of this amount may be in subsidized loans.
Graduate or Professional Students Annual Loan Limit	Not Applicable (all graduate and professional students are considered independent)	\$20,500 (unsubsidized only)
Subsidized and Unsubsidized Aggregate Loan Limit	\$31,000—No more than \$23,000 of this amount may be in subsidized loans.	\$57,500 for undergraduates—No more than \$23,000 of this amount may be in subsidized loans. \$138,500 for graduate or professional students—No more than \$65,500 of this amount may be in subsidized loans. The graduate aggregate limit includes all federal loans received for undergraduate study.

Notes:

- The aggregate loan limits include any Subsidized Federal Stafford Loans or Unsubsidized Federal Stafford Loans you may have previously received under the *Federal Family Education Loan (FFEL) Program*. As a result of legislation that took effect July 1, 2010, no further loans are being made under the *FFEL Program*.
- Effective for periods of enrollment beginning on or after July 1, 2012, graduate and professional students are no longer eligible to receive Direct Subsidized Loans. The \$65,500 subsidized aggregate loan limit for graduate or professional students includes subsidized loans that a graduate or professional student may have received for periods of enrollment that began before July 1, 2012, or for prior undergraduate study.
- If the total loan amount you receive over the course of your education reaches the aggregate loan limit, you are not eligible to receive additional loans. However, if you repay some of your loans to

bring your outstanding loan debt below the aggregate loan limit, you could then borrow again, up to the amount of your remaining eligibility under the aggregate loan limit.

The interest rates for Direct Subsidized Loans and Direct Unsubsidized Loans are shown in the chart below.

Loan Type	Borrower Type	Loans first disbursed on or after 7/1/15 and before 7/1/16
Direct Unsubsidized Loans	Graduate or Professional	5.84%

The interest rates shown above are fixed rates for the life of the loan.

**Additional Fees**

There is a loan fee on all Direct Subsidized Loans and Direct Unsubsidized Loans. The loan fee is a percentage of the loan amount and is proportionately deducted from each loan *disbursement*. The percentage varies depending on when the loan is first disbursed, as shown in the chart below.

First Disbursement Date	Loan Fee
On or after Oct. 1, 2014, and before Oct. 1, 2015	1.073%
On or after Oct. 1, 2015, and before Oct. 1, 2016	1.068%

Loans first disbursed prior to Oct. 1, 2014, have different loan fees.

**SATISFACTORY ACADEMIC PROGRESS POLICY**

**Policy Overview**

All full-time and part-time students who are degree candidates are expected to maintain a satisfactory grade point average and a satisfactory rate of progress toward the completion of their degree program. An unsatisfactory grade point average and/or lack of a satisfactory rate of progress will result in academic probation or dismissal from the school.

A graduate student is required to maintain a "B" average in the required nine (9) graduate courses for the CIS program or the required ten (10) graduate courses for any chosen area of concentration. Furthermore, students are to maintain a "C" average in any and all prerequisite (300 level) courses. Any student failing to meet these requirements will be placed on academic probation. Any student whose grade average falls below the requirements must raise their grades in the following semester, otherwise, the student may continue only at the discretion of the Dean of Academic Affairs.

A student may proceed toward a degree as either a full-time student or a part-time student. A full-time student is expected to complete the degree program within three calendar years from the time of initial registration earning a minimum of nine (9) credit hours per semester (excluding the summer semester). If during any semester a student's rate of progress falls below the standard outlined above, the student will be placed on probation. If the student does not bring his/her rate of progress up to the

minimum standard, that student may only continue with the permission of the Dean of Academic Affairs.

A part-time student is expected to complete the degree program within eight years from the time of initial registration. If a student's rate of progress is unsatisfactory, he/she may only continue with the permission of the Dean of Academic Affairs.

### **Satisfactory Academic Progress (SAP) for Financial Assistance**

In order to ensure students receiving financial aid are successfully completing their degree program in a timely fashion, the federal government requires each institution to monitor each student's academic progress. To remain eligible for federal and state aid programs, you must maintain SAP standards regardless of whether you have received financial aid in the past. **Your SAP status does not determine your eligibility to register for classes.**

Following are the components necessary for students to maintain SAP standards for financial assistance:

- GPA Standard: Students must maintain a minimum KSI GPA according to the KSI Satisfactory Progress Policy (see above). Students on academic disqualification are not eligible for financial aid.
- Students must pass at least 67% of their total attempted KSI credit hours in their MS Degree Program. Passed credits do not include courses with grades of "D" or lower or Incomplete ("I"). A passed course, if retaken, will be considered passed only once, yet attempted twice. Audited courses, ungraded courses, no-credit courses and courses with a grade of P are excluded from this measurement. Measurement of your pass rate will occur at the completion of every fall and spring semester.
- Students must not exceed the maximum attempted credit hour limit for the MS Degree Program. This limit is 50 credit hours.



## RETURN OF TITLE IV FUNDS POLICY

KSI participates in the Title IV financial aid programs including Federal Work-Study (FWS), and Federal Direct Loans. Federal Work-Study earnings are not affected by Title IV regulations concerning the return of unearned federal financial aid. Only loans are affected by this policy.

The Return of Unearned Title IV Funds Policy applies if the student withdraws from, changes enrollment status from credit to audit or ceases attending all classes before the sixty percent point in the term. Students who are granted 'Incomplete' grades and do not finish in accordance with school policy may also be subject to a Title IV Return calculation. Completely withdrawing from, auditing or ceasing to attend may result in financial aid repayment. Withdrawing may also affect future financial aid eligibility. Please speak to a financial aid specialist before withdrawing from classes at KSI.

All students with Title IV aid must "earn" their aid before they are entitled to keep 100% of it. If 100% of your Title IV aid is not "earned," loans and/or grants will be reduced. Based on the percentage of the semester completed, institutional charges, and the period of enrollment, the Title IV aid is separated into two "earned" and unearned" amounts. You are entitled to keep the "earned" portion, and must repay the "unearned" portion to KSI. KSI will send a bill to you for the "unearned" portion of your financial aid.

*Withdrawal Information:* Students cannot 'earn' all of their financial aid unless they attend and participate in class for at least 60% of the term. This calculation counts all calendar days, including the first and last day of each term, weekends and holidays. Students must stay in school through the date calculated at the 60% date for each semester to avoid possible repayment of unearned financial aid. Please speak to an academic advisor, academic affairs staff member or financial aid officer to obtain the 60% dates for each semester. You may also check the section below, "Calculation of Eligibility Dates" for further information.

Unearned Title IV funds are returned to Title IV programs based on a federally mandated formula. Under this formula, *institutions* are obligated to return unearned funds collected for institutional charges to the US Department of Education and/or the student loan lender. *Students* are obligated to return unearned funds beyond the institutional charges to the Department of Education.

When *institutions* have to return unearned Title IV funds from institutional charges, the money is returned to programs in the following order: Unsubsidized Stafford Loan, Subsidized Stafford Loan, PLUS Loans. These unearned Title IV funds are posted to the student's KSI account and must be repaid.

When a *student* has to return unearned Title IV funds that he/she received beyond the institutional charges (tuition and fees), the money is returned to programs in the following order: Unsubsidized Stafford Loan, Subsidized Stafford Loan, PLUS Loans.

If a student owes unearned Title IV funds from a *federal loan*, the money is repaid to the lender in accordance with the terms and conditions of the promissory note.

The institutional charges (tuition and fees) incurred by the student are considered to be paid by Title IV funds for the purpose of the formula, even if the institutional charges were directly paid by a source other than Title IV funds.

Students can repay the student portion of federal loans under the terms and conditions of the promissory note for the loan. However, the unearned portion of the loans that KSI must return is posted as a charge to the student account and must be repaid.

### For Students Who Withdraw From All Classes

If students begin instruction at KSI, receive federal financial aid, and then withdraw from all classes, their financial aid may be adjusted according to federal regulations. The regulations state that students earn their financial aid based on the period of time they were actually enrolled. Enrolled days / total number of days in the semester = % of Aid Earned

The earned amount is subtracted from the awarded amount, and the difference represents the unearned amount that must be returned to the federal financial aid programs.

Financial aid to be returned = Amount of aid - Earned amount

Federal regulations require the repayment of all unearned financial aid, including funds for books and living expenses, within 45 days of withdrawal. Until students repay the required funds, they are ineligible to receive additional federal financial aid at any college. Students who withdraw after attending at least 60% of the semester are not required to return funds. When a return of federal Title IV funds is due, both the student and KSI have a responsibility for returning funds.

KSI's share of funds to be returned is the lesser of:

- the total amount of unearned aid, or
- the institutional charges multiplied by the percentage of aid that was unearned

The student recipient's share of funds to be returned is the difference between the total unearned amount and the institution's share. The institution's share is returned to the federal Title IV student aid programs in an order specified by statute. Next, the recipient's share is fully returned to the Title IV student aid programs from which they were awarded.

Federal funds are returned, within 45 days, in the following order:

1. Federal Stafford Loan (Unsubsidized)
2. Federal Stafford Loan (Subsidized)
3. Federal Perkins Loan (not applicable to KSI)
4. Federal PLUS (Parent) Loan
5. Federal Pell Grant (not applicable to KSI)
6. Federal SEOG
7. Other Federal Aid
8. The donor determines refund and repayment of institutional, state, private, and third party scholarships

KSI and the student will be required to return to the federal aid programs the amount of aid received in excess of the aid "earned" for the period the student remained enrolled. The portion of financial aid grants and loans funded, excluding Federal Work-Study, which must be returned to financial aid programs will be based on the following components:

Date of withdrawal as determined by KSI based on one of the following:	<ul style="list-style-type: none"> <li>• The date the student drops from class as reported by the registrar, OR</li> <li>• The midpoint of the term, if the student doesn't officially withdraw. Grades of "I" and "F" indicate an unofficial withdrawal.</li> </ul>
Percentage of the enrollment period earned:	<ul style="list-style-type: none"> <li>• Divide the number of days attended by the number of days in the term (including weekends and holidays).</li> <li>• If official withdrawal occurs after the 60% date, the student has earned all of the financial aid received and no refund will be required.</li> </ul>
Subtract the percentage earned from 100% to determine the percentage unearned.	<ul style="list-style-type: none"> <li>• Multiply the total federal aid received by the calculated percentage unearned. This reflects the total amount of unearned federal aid.</li> </ul>
Calculation of Institutional Return	<ul style="list-style-type: none"> <li>• Multiply the percent unearned by the institutional costs to determine the unearned institutional return. Requires student repayment to KSI.</li> </ul>
Calculation of Student Return	<ul style="list-style-type: none"> <li>• Subtract institutional return from the total amount of unearned federal aid. Requires student repayment to Department of Education or Lender.</li> </ul>

## **FINANCIAL ASSISTANCE ELIGIBILITY DEFINITIONS**

For purposes of awarding and disbursing Federal Stafford Student Loans (subsidized and unsubsidized), the Financial Aid Office uses the following definitions:

Academic Year: Thirty (32) weeks is used as the standard for one academic year.

Full-Time: Full-time students must be enrolled in at least nine (9) credit hours per semester.

Summer Session: Summer semesters are treated as "trailers" and are included in the current financial aid processing year rather than the upcoming fiscal year. The college will not routinely process student loans for this period because most full-time students attend Fall and Spring semesters in order to maintain full-time status. Therefore, a full schedule of courses is not available, and KSI often cancels courses with low enrollment. With a shortened summer session, loans cannot be effectively administered with the considerable adding, dropping and course cancellations taking place.

Loan Limits: Through debt management and loan counseling, students are discouraged from borrowing more than can be financed by the "recommended" eight percent of projected first year earnings (available from the KSI Financial Aid Office). KSI reserves the right, as granted by the U.S. Dept. of Education, to refuse to certify a student's Stafford loan or to certify the loan for an amount less than the established federal limits. In that instance, KSI must document the reason and provide that written explanation to the student. KSI's decision is final and cannot be appealed to the Dept. of Education.

Direct Loan Program: KSI offers loans through the William D. Ford Federal Direct (Stafford) Loan program, in which borrowers obtain loan funds directly from the US Department of Education.

Eligibility: KSI determines a student's eligibility based on the criteria set forth above in the section "Financial Aid Eligibility"

Satisfactory Academic Progress (SAP): KSI determines SAP based on the criteria set forth above in the "Satisfactory Academic Progress" section.

**CALCULATION OF ELIGIBILITY DATES**

Withdrawal Information: Students cannot 'earn' all of their financial aid unless they attend and participate in class for at least 60% of the term. This calculation counts all calendar days, including the first and last day of each term, weekends and holidays. The chart below summarizes the 60 percent dates for each term for the 2015 - 2016 award year. Students must stay in school through the dates below to avoid possible repayment of unearned financial aid.

**Calculation of 60% Dates for the 2015-2016 Academic Year**

TERM	60% Completion Date
Fall	October 30, 2010
Spring	March 21, 2011

KSI and the student will be required to return to the federal aid programs the amount of aid received in excess of the aid "earned" for the period the student remained enrolled. The portion of financial aid grants and loans funded, excluding Federal Work-Study, which must be returned to financial aid programs will be based on the following components:

Date of withdrawal as determined by KSI based on one of the following:	<ul style="list-style-type: none"> <li>The date the student drops from class as reported by the registrar, OR</li> <li>The midpoint of the term, if the student doesn't officially withdraw. Grades of "I" and "F" indicate an unofficial withdrawal.</li> </ul>
Percentage of the enrollment period earned:	<ul style="list-style-type: none"> <li>Divide the number of days attended by the number of days in the term (including weekends and holidays).</li> <li>If official withdrawal occurs after the 60% date, the student has earned all of the financial aid received and no refund will be required.</li> </ul>
Subtract the percentage earned from 100% to determine the percentage unearned.	<ul style="list-style-type: none"> <li>Multiply the total federal aid received by the calculated percentage unearned. This reflects the total amount of unearned federal aid.</li> </ul>
Calculation of Institutional Return	<ul style="list-style-type: none"> <li>Multiply the percent unearned by the institutional costs to determine the unearned institutional return. Requires student repayment to KSI.</li> </ul>
Calculation of Student Return	<ul style="list-style-type: none"> <li>Subtract institutional return from the total amount of unearned federal aid. Requires student repayment to Department of Education or Lender.</li> </ul>