

Financial Aid Newsletter

FAFSA Time

Spring has almost sprung – 'tis the season to apply for financial aid for the 2012-13 academic year. Please file your Free Application for Federal Student Aid (FAFSA) before the end of March to help ensure results are calculated by the LSUHSC April 15th priority deadline. The website is www.fafsa.ed.gov, and our school code is 002014.

Be sure to take advantage of a new feature that enables tax return filers to import their 2011 tax data directly from the IRS into the FAFSA. This option simplifies completion of the FAFSA, helps avoid data entry errors, and reduces the documentation requirements for many applicants selected for Verification of FAFSA data. Three weeks between electronic 1040 filing and online FAFSA filing should be sufficient time to make the IRS data available for the import option. The same advice holds for your parents if you are classified as undergraduate dependent by FAFSA standards. This option is not applicable to those who will not file a 2011 federal tax return.

First the Good News

Federal financial aid programs and funding levels have survived the initial rounds of national debt fueled budget tightening relatively undiminished. The Federal Pell Grant maximum remains at \$5550 per academic year for full time undergraduate students qualifying for the maximum award. Federal loan limits are unchanged.

Now the Not So Good News

Although the Federal Pell Grant maximum is unchanged, certain federal calculation changes will result in lower award amounts for some students, and no awards for some students who previously would have qualified for small awards. There is a new lifetime limit for Pell based on the equivalent of 12 full time semesters of Pell awards. Most students should be able to finish their undergraduate degrees within 12 full time semesters. However, this new limit could be a problem for students who switched to a health profession major late in their academic careers. This limit is for Federal Pell only and does not impinge upon loan eligibility.

Loanly Changes

The payment incentive “prebate” of part of the Federal Direct loan origination fees will be discontinued for loans with a first disbursement date on or after July 1st, 2012. This will increase the amount the government withholds from the Federal Direct Subsidized/Unsubsidized loan from 0.5% to 1%. The amount withheld from the PLUS and Graduate PLUS loans will increase from 2.5% to 4%.

For Undergraduate Students:

The Federal Direct Subsidized Loan interest rate is scheduled to increase from 3.4% to 6.8% for loans with a first disbursement date on or after July 1st, 2012. For Federal Direct Subsidized Loans with first disbursement dates from July 1st, 2012 through June 30th, 2014, the interest will not be subsidized (will accrue increasing the balance) during the six month grace period. The interest rate on Federal Direct Unsubsidized Loans will remain fixed at 6.8%.

For Graduate/Professional Students:

While the amount of Federal Direct Loan funding available per academic year will not change, loans borrowed for enrollment periods beginning on or after July 1st, 2012 will be completely unsubsidized (will accrue interest). The Federal Direct (Stafford) interest rate for Graduate/Professional students will remain fixed at 6.8%; the interest rate for Federal Direct Graduate PLUS loans will remain fixed at 7.9%. Loss of subsidy during the grace period, as discussed in the undergraduate section above, also applies to subsidized loans for graduate/professional students for enrollment periods beginning before 7/1/12 if the first disbursement is on or after 7/1/12.

The loan downgrades discussed above do not change the terms of your loans already disbursed, or loans that may be borrowed/disbursed prior to the effective dates noted.

Inconvenient News

Campus Federal Credit Union has discontinued lending under the Bridge Loan program.

Convenient News

LSUHSC is close to implementation of online student self service that will enable you to accept aid awards and track incomplete aid application requirements through the power of the computer. Stay tuned for more details.

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<http://www.lsuhsoc.edu/financialaid/>