



FEDERAL CHANGES IN FINANCIAL AID FOR 2012-2013

The 2012-13 school year, which for financial aid purposes begins with the 2012 summer terms, will see some significant changes in federal financial aid programs.

Regarding the Federal Pell Grant program:

- Student eligibility for the grant will be reduced from 18 semesters to 12 semesters. This means that students who have received a Pell Grant for six years or 12 semesters will be cut off from further funding.
- Students must have either a high school diploma or GED certificate to be eligible. This provision is particularly significant for transfer students who may not have provided proof of their high school graduation or GED completion when admitted to the university. Such students will want to provide a certified copy of their high school transcript or GED certification to TWU Student Records as soon as possible to avoid delays in the payment of their 2012-13 Pell Grant award.
- There will be changes in how eligibility for the Pell Grant is calculated that could reduce payments to as many as 100,000 students nationwide.
- The "Year-Round" Pell payment procedure has been discontinued. Under that procedure, a student enrolling full-time for the summer, fall, and spring terms could receive a full-time Pell Grant payment for each term for a total annual Pell Grant award of up to \$8,325. Under the new procedure, the maximum annual award will be \$5,550. This means that a student receiving a Pell Grant payment in summer will see a reduction in the following spring term's Pell Grant eligibility equivalent to the summer payment received. Summer Pell Grant payments are not optional for Pell Grant recipients enrolling in summer terms beginning on or after July 1st or the long summer term.

Regarding Federal Direct Subsidized and Federal Direct Unsubsidized Student Loans:

- Interest rates will revert from 3.4% back to 6.8% unless Congress intervenes before July 1st.
- Interest will begin to accrue during the 6 month grace period of the loans. Previously, no interest accrued during the 6 month grace period.
- For all new graduate student loans with loan periods beginning on or after July 1, 2012, the \$8,500 Federal Direct Subsidized Loan for graduate students will be discontinued and replaced with an \$8,500 Federal Direct Unsubsidized Loan. This means that eligible graduate students applying for summer school loans for summer enrollment periods beginning prior to July 1, 2012, may still be able to receive the Federal Direct Subsidized

Loan for those summer enrollments, but all graduate loans for enrollment periods beginning on or after July 1, 2012 will be the new Federal Direct Unsubsidized Loans, which accrue interest while the student is enrolled. The Federal Direct Subsidized Loan does not accrue interest while the student is enrolled.

Regarding FAFSA (Free Application for Federal Student Aid) processing:

- Students and parents will have the ability to have their federal income tax information transferred directly from the IRS to the FAFSA processing center. A question on the FAFSA will allow the applicant to authorize the transfer of information. This option is recommended. The IRS data transfer will expedite the financial aid processing for students and can be authorized when completing the FAFSA initially, or by revising it later. Students selected for FAFSA verification will no longer be able to submit copies of the IRS tax return directly to the Financial Aid Office. Instead, they must request an IRS tax transcript from the IRS and submit it to the Financial Aid Office. This will cause delays in processing the aid awards for students selected for verification who failed to authorize the IRS data transfer on the FAFSA.

Financial Aid Application Deadlines for 2012-13 are as Follows:

- Academic Scholarships - March 15, 2012
- Summer Financial Aid Priority Deadlines - March 15, 2012
- Fall Financial Aid Priority Deadlines - March 15, 2012
- Spring Financial Aid Priority Deadlines - September 1, 2012