
Fall 2008Issue 35

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**MCC Title IV Code
002872****MCC TAP Code
2180**

**Brighton Campus
Financial Aid Office**
Monday – Friday
8:45 A.M. – 4:45 P.M.

Phone
585-292-2050
Fax
585-292-3840

**Damon City Campus
Student Services Center**
Monday-Friday
9:00 A.M. – 5:00 P.M.

Phone
585-262-1670
Fax
585-262-1733

monroecc.edu/depts/finaid/

**WITHDRAWALS, TUITION LIABILITY &, THE IMPACT ON
YOUR FINANCIAL AID**

Anytime a student does a course withdrawal, it could impact their financial aid in their current semester and in future semesters. In some cases, withdrawals can result in students having liability to the college. It is strongly recommended for students who are contemplating a course withdrawal to check with the MCC Financial Aid Office to evaluate its effect on their financial aid.

Complete withdrawals during a semester will have an impact on a student's financial aid. Students who do a complete withdrawal will have their financial aid adjusted according to the *Federal Return of Title IV Refunds Policy*. This may result in a student owing a balance to MCC.

In addition, the withdrawal from one or more courses during a semester or academic year, may impact a student's eligibility for both Federal and State Aid program for future semesters if the student does not meet *Satisfactory Academic Progress Guidelines*, required by the Federal and State government.

For more information on *Satisfactory Academic Progress Guidelines* and *Federal Return of Title IV Refunds Policy*, students should refer to pages 35 - 38 of the **2008/2009 MCC Catalog & Student Handbook**.

REMINDERS FOR TRANSFER STUDENTS

Students who are transferring to MCC from another institution for the 2008 Spring semester and wish to receive financial aid, should do the following:

1. Add MCC's Federal School Code (002872) to your FAFSA. Students can do this online* at www.fafsa.ed.gov or by calling the federal processor at 1-800-433-3243.
2. Change the school code on their TAP Application to MCC (2180) for the 2009 Spring semester. This can be done online at www.hesc.com.
3. Complete the Loan Entrance Counseling. This must be done even if you had completed a loan entrance counseling session at your prior institution. Loan Entrance Counseling can be done online at www.monroecc.edu/depts/finaid.
4. Submit any and all documents requested by the MCC Financial Aid Office.

*Making corrections to your FAFSA online requires the use of a federal PIN. PINs were sent to all aid applicants by the Department of Education. If you lost or did not receive a PIN, you can request one online at www.pin.ed.gov.

**REMINDER: The tuition due date for the 2009
Spring semester is DECEMBER 15TH, 2008**

LOAN ENTRANCE COUNSELING

Students who are borrowing a student loan at MCC for the first time are required to complete a Loan Entrance Counseling Session. To meet this requirement, students must complete the loan entrance counseling session online at www.monroecc.edu/depts/finaid. From there click on the "Loan Entrance Counseling" and begin the process.

Once the student completes the online Loan Entrance Counseling, they must print the confirmation form at the end and submit it to the MCC Financial Aid Office. Students who do not complete the Loan Entrance Counseling, will not have their Direct Loans processed.

WHAT DOES IT MEAN TO DEFAULT ON A FEDERAL STUDENT LOAN?

Failure to repay a loan according to the terms agreed to when you signed a promissory note. For loans received through the Federal Direct Loan Programs, a student is considered to be in default when they fail to make a payment for 270 days.

The consequences of default are severe. Your school, the lender or agency that holds your loan, the state, and the federal government may all take action to recover the money, including notifying national credit bureaus of your default. This affects your credit rating for a long time. For example, you might find it very difficult to borrow money from a bank to buy a car or a house.

In addition, the Internal Revenue Service can withhold your U.S. individual income tax refund and apply it to the amount you owe, or the agency holding your loan might ask your employer to deduct payments from your paycheck. Also, you're liable for loan collection expenses.

Students who are in default on their federal student loans are ineligible to receive federal student aid (Pell Grant, SEOG, FWS, ACG, & Student Loans) until the default status is cleared. In many cases, default can be avoided by submitting a request for a deferment or forbearance. To clear a defaulted status, the student should contact their loan servicer to determine what steps can be taken.

BE AN EDUCATED BORROWER

During the 2007-08 academic year, nearly 6500 students at MCC borrowed a federal student loan with an average loan amount of over \$4200. With the cost of a college education continually increasing, student loan indebtedness has increased as well. It is important for students to be smart borrowers to help avoid severe financial hardships before they have a chance begin their careers.

Know what your education costs are going to be: Everyone knows that a college education costs money. It is important for every student to know what their costs are going to be. Your college related expenses will not only include tuition, fees, books, and supplies, but you should also factor in transportation/commuting expenses, room & board, child care, and necessary personal expenses.

Borrow only what you need: This seems like common sense, but some students don't really know how much they need to borrow to meet their education and simply borrow the maximum amount they can because they feel they might need or because they can. Completing your college education can take 2-6 years or longer depending on your educational goals and continuous borrowing of student loans over several years can result in a significant amount of debt. The Project on Student Debt estimates that students graduating in 2006 borrowed an average of \$21,100 in student loans.

Don't borrow more than you can afford to pay back monthly: Students should take into account the beginning average salary of the profession they plan on entering. Debt management experts recommend that your total student loan debt does not exceed 8% of you anticipated income. An estimated repayment calculator is available at the Federal Direct Student Loan web site. (<http://www.ed.gov/offices/OSFAP/DirectLoan/index.html>)

Set a budget: Determine what your monthly expenses are going to be and create a budget to meet those expenses. Don't live beyond your means or use student loan funds for things that are not necessary for your educational or daily living expenses.

Keep track of what you borrow: Over the course of completing a college degree, many students lose track of what they borrowed. It is important to keep track of your cumulative student loan debt so you can anticipate your total indebtedness and repayment amount when you graduate.

Keep all of your documents together: You should keep any and all documents related to your financial aid and student loans in one file or folder.

Know your rights and responsibilities: Understand the consequences of not paying off your student loans and the options available to you if you are having trouble making your student loan payments.