

The Vocational Nursing Institute, Inc.

Loan Packaging Policy

Effective: 2-24-15

The Vocational Nursing Institute, Inc. offers the following Federal Student Aid:

Pell Grant

Direct Student Loan Subsidized

Direct Student Loan Unsubsidized

Policy:

When an applicant is eligible for a Pell grant, it is always awarded before other federal student aid is awarded. (One exception: A school can certify a parent's Plus Loan application without determining the student's Pell grant eligibility.)

The Pell Grant is the foundation of the eligible student's award package. Any external sources of aid will be included in the package before additional aid is awarded.

Pell Grant eligibility does not need to be determined for those students whose only aid is a parent's PLUS Loan.

A student aid package, including all other estimated financial assistance (federal, state, and any other sources of aid), must not exceed the student's cost of attendance, though there are exceptions.

When a student has received aid that exceeds his or her cost of attendance, the aid package may have to be adjusted.

Students with demonstrated financial need of less than \$100 will not be funded. Students with more than \$100 of need will be fully funded, if funds permit. Awards will not exceed demonstrated need.

Priority is given to students who submit a financial aid application by July 1, for the upcoming fall [semester](#) and by July 1 for the summer semester.

All Direct loan applicants must apply for a Pell grant ([gift aid](#)) before the school will process the loan ([self-help aid](#)). The school will meet 80 percent of need as long as funds are available.

Late applicants are funded on a first-come, first-served basis, if funds are available. (An exception to the first-come, first-served rule is the awarding of FSEOG funds.) FSEOG funds are a part of Campus Based Funds.

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Over-awards also occur when the total aid the student is receiving exceeds their calculated need. It is the goal of this school not to over-award students.

Procedure: This school provides Individual Loan Packaging.

This technique provides for award packaging by evaluating the student's individual costs, resources, and needs. As a result, each financial aid package is a customized one.

Order of Packaging

- Pell Grant
 - Varies by student
1. Student completes their FASFA. (Financial Aid Eligibility is based upon the FASFA and in accordance with the Federal Financial Aid Handbook and Higher Education Act.)
 2. School receives the ISIR. School verifies if student selected for verification. If so, school official follows verification process and submits required items for verification as received from the student to the third party processor, FAME.
 3. School reviews cost of attendance (COA) – (EFC) = need
 4. School issues financial aid loan package and reviews with student eligibility for PELL, direct loan subsidized, and unsubsidized, and any other grants the student may have.
 5. Student decides if they will use federal aid for tuition and signs either accepting or declining aid on the notification form.

This notification must:

- State the date and amount of disbursements.
 - Advise the borrower of the right to cancel all or a portion of the loan.
 - Describe procedures and a date by which the borrower must notify the school that he or she wishes to cancel or reduce the amount of the loan.
 - Be sent:
 - No earlier than 30 days before and no later than 30 days after crediting the student's account if the school obtains affirmative confirmation.
 - No earlier than 30 days before and no later than 7 days after crediting the student's account if the school does NOT obtain affirmative confirmation.
 - Advise the student or parent in writing regarding the outcome of the request.
6. If the student decides to use federal funding, they must complete entrance counseling. This is done online at studentloans.gov and also in-person with the Financial Aid Specialist for the school.

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The school must obtain a WRITTEN authorization from a student (or parent) borrower to do the following with FSA program funds:

- Pay for allowable educational charges other than tuition, fees, and school-contracted room and board.
- Credit FWS wages to a student's account to pay *any* educationally-related charges. (n/a VNI does not offer FWS Program)
- Hold credit balances of FSA program funds.
- Disburse FWS wages by [Electronic Funds Transfer \(EFT\)](#) to a bank account designated by the student or parent (n/a VNI does not offer FWS Program)
- Use FSA program funds to pay minor prior-year charges other than tuition, fees, and contracted room and board.

When a student or parent provides written authorization regarding FSA program funds, the school will tell the student or parent that they can cancel or modify EACH authorization at any time.

Note: A blanket authorization identifying the activities to be performed is not acceptable. An authorization permitting this school to use a Title IV credit balance must provide detail that is sufficient to give the student or parent information about what the credit balance would be used to pay. Authorizations are good for an entire enrollment period but can be rescinded at any time.

Title IV Credit Balances

The school is permitted to hold a credit balance if it receives **voluntary** written authorization from the student or parent PLUS Loan borrower.

All balances have to be paid to the student or parent by the end of the loan period, by the end of the last payment period in the [award year](#), or within 14 days of the revocation of the authorization—whichever comes first.

If the credit balance occurs on or before the first day of classes, then it must be paid to the student or parent PLUS Loan borrower no later than 14 calendar days after the first day of classes.

A school may pay a disbursement or credit balance to a student by issuing a check payable to, and requiring the endorsement of, the student or parent. A school is considered to have issued the check on the date that it:

- Mails the check to the student or parent; or

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- Notifies the student that the check is available for immediate pickup and provides the specific location.

VNI may hold the check for up to 21 days after it notifies the student. If the student does not pick up the check by the 21st day then it must be mailed to the student immediately, or return the funds to the appropriate FSA program. VNI does not do EFT to student or parent accounts.

A student or parent may voluntarily authorize the school to hold a Title IV credit balance.

If this occurs this school must:

- Identify the amount of funds held for each student/parent in a subsidiary ledger account.
- Maintain cash equal to credit balances held.

This school may retain any interest earned on the held funds.

If holding credit balance funds, VNI must pay* any remaining balance:

- For loan funds, by the end of the loan period.
- For other FSA program funds, by the end of last payment period in the [award year](#) for which they were awarded.

*This school May NOT hold credit balances beyond these deadlines **even with** student or parent authorization.

The school must return to ED any FSA program funds, except FWS Program funds,(n/a VNI does not offer FWS funds or program) that it attempts to disburse directly to a student or parent if the student or parent does not receive the funds or cash the check. VNI must have a process that ensures FSA funds never escheat to a state, or revert to the school or any other third party.

If VNI attempts to disburse the credit balance by check and the check is not cashed the school must return the funds no later than 240 days after the date it issued that check. However, if a check is returned to a school the school may make additional attempts to disburse the funds, provided that those attempts are made not later than 45 days after the funds were returned or rejected. In cases where the school does not make another attempt, the funds must be returned before the end of the initial 45-day period. VNI will cease all attempts to disburse the funds and return them no later than 240 days after the date it issued the first check.

Exit Counseling

Title IV institutions must offer loan counseling to federal student loan borrowers who are leaving school or dropping below half-time enrollment. Exit counseling covers the borrower's rights and responsibilities, loan [repayment](#), and the consequences of [default](#). During the exit counseling, borrowers are also required to provide updated personal information, such as address, telephone

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number, and employer. The Financial Aid Specialist will conduct entrance and exit counseling in person, with handouts, and a Power Point presentation, in addition, online entrance and exit counseling will be required through the federal financial aid website, StudentLoans.gov. The student needs to sign their master promissory note which they can read and sign on studentloans.gov. upon accepting funds.