

Financial Aid — Consumer Information

In accordance with federal regulations set forth by the Higher Education Act of 1965, as amended, Paul Mitchell Schools provides the student catalog as means to disseminate required student consumer and "Right-To-Know" Act information. The school's financial aid office offers assistance to students seeking financial aid for their educational costs while complying with all federal, state, and institutional regulations. Anyone seeking financial aid information or assistance or seeking consumer information at the school will be provided with access to the required financial aid forms and disclosures and the school catalog, which provides a brief description of the financial aid process and explains how financial aid information and assistance may be obtained.

Financial Aid Office — The financial aid office's mission is to provide optimal customer service while helping students secure financial assistance to cover as much of their educational expenses as possible. The school's Financial Aid Leader is available in person or by telephone during normal business operating hours to help students determine an affordable way to pay for school.

Student Financing Options — Paul Mitchell Schools offers a variety of financing options and payment terms to help students finance their education. Financing options consist of federal grants, loans, cash pay options, and assistance through VA and other programs (if applicable).

Primary Financing Options

- ❶ **Cash Payment** — The cash option allows students to either pay their program costs in full prior to the start date of the program or make monthly payment until the balance is paid in full.
Documents required for full cash-paying students are: ➤ Enrollment Agreement and ➤ Disclosure Statements.
- ❷ **VA Contract Billing Program (if applicable)** — Students who are eligible to receive tuition assistance from the Veteran's Administration must submit the military form to the school's financial aid office prior to the first class session in order for the school's financial aid office to bill the VA for the student's program costs.
- ❸ **Tribal Funding (if applicable)** — Students who are eligible to receive tuition assistance from a tribe must submit the required paperwork to the tribe prior to the first class session.

Financial Aid Programs — Financial aid consists of funding provided through federal sources to help cover educational expenses. This funding consists of Pell Grants that do not have to be repaid and loans that have a variety of repayment options. Financial Aid is available for those who qualify, and there are different types of financial aid programs. The school Financial Aid Leader can assist students in determining if they qualify for any of the following types of financial aid:

- ❶ **Federal Pell Grant:** The Federal Pell Grant is a need-based federal grant for undergraduate students, and it does not require repayment.
- ❷ **William D. Ford Direct Loan Program:** The William D. Ford Direct Loan Program offers low-interest, government-funded loans that include Direct Stafford Loans (subsidized and unsubsidized), Direct Parent Loans for Undergraduate Students (PLUS), and Direct Consolidation Loans. These long-term loans are available to students who are enrolled at least half-time in school.

Direct Subsidized Stafford Loan: The Direct Subsidized Stafford Loan is a need-based loan. The interest rate varies annually and is paid by the government while students are in school at least half-time and during any periods of deferment. Loan repayment begins six months after students graduate, leave school, or drop below half-time enrollment status. Recipients must complete entrance and exit counseling.

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Direct Unsubsidized Stafford Loan: The Direct Unsubsidized Stafford Loan is a non-need-based loan available to all eligible students regardless of income. The interest rate varies annually and begins to accrue at the time of disbursement. Students are responsible for paying accrued interest but may choose to defer and capitalize interest payments. Loan repayment begins six months after students graduate, leave school, or drop below half-time status.

Direct Parent Loans for Undergraduate Students (PLUS): For students who qualify as a dependent, parents may choose to use the Direct Parent Loans for Undergraduate Students to borrow up to the total cost of their child's education, minus any other aid the child may be eligible for. The loan is credit based, the interest rate varies annually and loan interest begins to accrue at the time of disbursement. Loan repayment typically begins within 60 days after the loan has been fully disbursed.

Documents required for students applying for any type of federal financial aid are:

- ❶ Enrollment Agreement and Disclosure Statements
- ❷ Free Application for Federal Student Aid (FAFSA)
- ❸ Federal Student Loan Entrance Counseling Confirmation Page
- ❹ Direct Loan Master Promissory Note
- ❺ Title IV Credit Balance Authorization
- ❻ Other documents as required

Note: *Students whose parents are applying for a PLUS Loan will require additional documents such as credit approval and a PLUS Master Promissory Note. Students who are selected for verification will require additional documents upon the school's request.*

Admissions Disclosure Statement (Only for Recipients of Stafford Student Loans) — The school is required by federal law to advise you that, except in the case of a loan made or originated by the institution, your dissatisfaction with or non-receipt of the educational services being offered by this institution does not excuse you (the borrower) from repayment of any Stafford Loan made to you (the borrower) for enrollment at this institution.

Veterans Assistance (VA) and Loans — Veterans, active duty service persons, reservists, or otherwise eligible members (such as spouses and dependents) may be eligible to qualify for various VA educational assistance programs. Eligibility criteria for military educational assistance and benefits vary by state and school. Applicants must first check with the Veterans Affairs administration office to see if they qualify for benefits.

Students who receive VA educational benefits are still required to select one of the school's primary financing options (e.g., financial aid, cash) to cover educational costs and related expenses not covered directly by the VA. All payments must be made in accordance with the school's financial policies and procedures.

Students who have questions about these benefits should contact the U.S. Department of Veterans Affairs.

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Financial Aid Process and Information

Applying for Financial Aid — Students who are interested in applying for federal financial aid assistance are required to complete and sign the Free Application for Federal Student Aid (FAFSA) and several forms (electronic and/or hard copy) to begin the process. All documents must be submitted in a timely manner to allow the financial aid office adequate time to process an application for financial aid. To apply for financial aid, the student must complete the following steps 1-4 by accessing the website <https://studentloans.gov>.

- ❶ Apply for and obtain a federal student aid ID.
- ❷ Complete and submit the Free Application for Federal Student Aid (FAFSA).
- ❸ Complete a federal student loan entrance counseling session (studentloans.gov).
- ❹ Complete and submit the Direct Loan Master Promissory Note (studentloans.gov).

In addition, the student must complete and submit other required forms or documentation as requested by the school's financial aid office.

Compliance Statement — The Federal Privacy Act of 1974 requires that students be notified in the event the disclosure of their Social Security number is mandatory. Students' Social Security numbers are used to verify students' identities and to process the awarding of funds, collection of funds, and tracing of individuals who have borrowed funds from federal, state, or private programs.

Student Eligibility for Financial Aid — The Free Application for Federal Student Aid includes a series of questions that will determine a student's eligibility and dependency status. If a student is considered a dependent, the student will need to provide his or her parents' information as well.

Federal eligibility requirements to apply for financial aid include:

- ▶ Being a U.S. citizen or eligible noncitizen, such as a permanent resident, or in the United States for other than temporary purposes.
- ▶ Having a valid Social Security number.
- ▶ Having a valid form of identification.
- ▶ Being registered for the draft with the Selective Service, for males who are between 18 years of age and 25 years of age.
- ▶ Having a high school diploma, GED, or equivalent.
- ▶ Not owing a refund on a federal grant or being in default on a federal educational loan.
- ▶ Being enrolled or accepted for enrollment as a regular student in an eligible program.
- ▶ Making satisfactory academic progress (refer to the school catalog for the definition of satisfactory progress).
- ▶ Not having previously received a bachelor's degree for Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Pell Grant Programs.

Note: For the purposes of applying for financial aid, a dependent student is an undergraduate who is under the age of 24, not married, has no legal dependents, is not an orphan or ward of the court, and is not a veteran of the U.S. Armed Forces.

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Submitting the FAFSA — Once a student completes and submits a FAFSA, the information contained on the FAFSA is reviewed by the Department of Education’s Central Processing System (CPS). An estimated family contribution (EFC) will be calculated using a formula approved by Congress, which is based on the student’s (and/or spouse or parent’s) income and asset information. The student’s EFC will determine the amount of Federal Pell Grant funds the student may be eligible to receive. In certain cases, verification of information submitted may be required. If the student’s FAFSA is selected by the Department of Education’s CPS, the school will be required to complete additional steps to ensure the information the student provided on the FAFSA is correct.

Determining Financial Need — The student’s financial need is the difference between the actual cost of their education and the amount that the student (or parents) will contribute (the EFC). Financial aid is then used to cover the gap between these contributions and the total cost of the student’s education.

Here’s how it works:

Cost of attendance (COA) including tuition, fees, books, supplies, room and board, transportation, and miscellaneous personal expenses
– The student’s Expected Family Contribution (EFC)
= The student’s financial need

Each school and each program within the school has a different student expense budget. This will depend upon the tuition, course length, books, fees, supplies, etc. To illustrate how student budgets are determined, refer to the following sample chart provided by the Student Aid Commission for 2014-2015 award year using an adequate standard of living for various conditions. Actual tuition, books, fees, and supplies for a program in which the student enrolls can be obtained from the school’s financial aid office.

Sample Student Expense Budget		
<i>Based on 6 months/ 26 weeks of instructional time</i>		
	Student Expense Budgets <i>(with parents)</i>	Student Expense Budgets <i>(without parent or off campus)</i>
Room and Board	\$2,634.00	\$6,798.00
Personal Expenses	\$1008.00	\$1008.00
Transportation	\$1,470.00	\$2,754.00

Note: These amounts are used in the determination of a student’s need only. The need calculation estimates total living costs for an academic year. This amount does not represent the amount a student will need to pay the school or the amount of financial aid that can be awarded to a student.

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Verifying FAFSA Information — A student applying for financial aid may be required to verify the information submitted on their Free Application for Federal Student Aid (FAFSA). This inquiry is known as verification and is required by the Department of Education. If a student's application is selected for verification, the school will require the student to submit any or several of the following items within a specified time frame in order to continue processing financial aid:

- ▶ Adjusted gross income (AGI) for the base year
- ▶ U.S. income taxes paid for the base year
- ▶ Number of family members in the household
- ▶ Number of family members attending postsecondary education as at least half-time students
- ▶ Any child support received
- ▶ Any food stamps received
- ▶ Other untaxed income and benefits
- ▶ High school completion status
- ▶ Identity/statement of educational purpose

All of the required information must be submitted by the due date in order for the student applying for financial aid to be eligible for federal assistance. In cases where this is not possible, the student will be required to pay cash or set up a satisfactory payment arrangement to maintain his or her regular enrollment status.

Receiving an Award Notification — After careful evaluation of a student's financial aid application, the student's eligibility for financial aid is determined and the school issues the Financial Aid Possible Form detailing the student's estimated cost of attendance and the financial aid awards by fund type. The school's Financial Aid Leader will discuss the contents of the Financial Aid Possible Form with the student, and the student will acknowledge the receipt of the Financial Aid Possible Form.

Maintaining Regular Enrollment Status and Satisfactory Academic Progress — After the student's eligibility is determined, the amount of financial aid and the receipt of funds are contingent upon the student's (a) enrollment status and (b) ability to meeting satisfactory academic progress.

A. Maintaining Enrollment Status

- To receive the benefit of a grant, a student must be enrolled as a full-time student, as defined by the school for financial aid purposes.
- To receive Federal Direct Loan funds, a student must be enrolled at least half-time, as defined by the school for financial aid purposes.
- The amount of certain federal grants and loans may be adjusted or prorated, depending on the student's enrollment status. The school must administer federal aid in accordance with federal regulations.
- A student's financial aid award may be adjusted up through the last day of attendance for tuition adjustment due to enrollment changes.
- A student who registers for classes but does not attend at least one class session is not eligible to receive federal, state, or institutional funds.

B. Meeting Satisfactory Academic Progress

- A student receiving financial aid must maintain certain standards of academic progress toward graduation, and the school is required to have and enforce a policy to check academic progress throughout the course of the student's program of study. Therefore, an eligible student applying for financial aid must maintain the school's standards of academic progress in order to be eligible to receive financial aid funds.

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Disbursing Financial Aid Funds — Financial aid is disbursed in increments throughout the student’s payment periods or period of enrollment. A payment period is the length of time the student takes to earn a specific number of hours of attendance in school. Upon a student meeting eligibility, a student’s financial aid funds are disbursed at the beginning of each payment period. The following is an example of how funds are scheduled to disburse for an eligible student in a 2,000 -hour program:

Academic Grade Level Year 1 (1000 Hours)	
Payment Period	Payment Period
450 hours	450 hours

Academic Grade Level Year 2 (2000 Hours)	
Payment Period	Payment Period
300 hours	300 hours

Receiving a Disbursement Notification — The school must notify a student (or parent) when financial aid funds are disbursed and credited to the student’s account by issuing the federal disbursed funds notification letter.

***Note:** The ledger card indicates the net disbursement amount received by the school. The actual loan disbursements received may differ slightly from the amount expected to be received due to loan fees and rounding differences.*

Credit Balance Policy — If Federal Student Aid disbursements to the student’s account at the school create a Federal Student Aid credit balance, the school must pay the credit balance directly to the student or parent as soon as possible, but no later than 14 days, unless the Student Authorization Credit Form was signed.

Prior-Year Charges — The school can retain any prior-year charges not exceeding \$200.

Remaining Balance on Federal Student Aid Loan Funds — The school must pay any remaining balance on Federal Student Aid loan funds by the end of the loan period and any other remaining Federal Student Aid program funds by the end of the last payment period in the award year for which they were awarded.

Changing Enrollment Status after Receipt of Financial Aid — A student’s decision to drop or change a program of study is based on academic and personal considerations and should be made in consultation with the School Director and the financial aid office. Changing program schedules, dropping coursework, or withdrawing from the school has implications for student eligibility of financial aid funds and may result in a balance owed to the school.

Returning Title IV Funds (R2T4) — A student earns his or her financial aid (Title IV) funds on a prorated basis over the first 60 percent of the scheduled hours for each payment period. After attending 60 percent of the scheduled hours of the payment period, the student is eligible to retain 100 percent of the Title IV funds scheduled for that payment period.

As a result, the school is required to return financial aid (Title IV) funds, if a student receiving financial aid withdraws during the first 60 percent of the scheduled hours for that payment period. The refund calculation and process is governed by federal regulation, and the school is required (a) to determine the portion of aid earned by the student up until the date of withdrawal and (b) to refund or repay the amount of unearned aid. A school must always return any unearned Title IV funds it is responsible for returning within 45 days of the date the school determined the student withdrew.

***Note:** For the purposes of the Title IV refund policy, the student’s official withdrawal is the date the student initiated the withdrawal process or notified the school of his or her intention to withdraw. In the event of an unofficial withdrawal, the school determines the student’s last date of attendance that is documented in the school’s records and uses that date as the withdrawal date. The U.S. federal government determines the amount of Title IV funds a student has earned, as of the withdrawal date.*

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If a student withdraws, the school is required to calculate and return all unearned financial aid for that payment period and is subject to the Return of Title IV policy. As a result, the school must (a) complete the refund calculation in a timely manner, (b) adjust the awards, (c) refund/repay the unearned aid, and (d) notify the student in writing of the refund calculation results. If a refund of Title IV funds is required, funds are returned to the appropriate federal aid program(s) in the following order:

- | | |
|--|---|
| ① Federal Unsubsidized Direct Loan Program | ⑤ Federal SEOG Program |
| ② Federal Subsidized Direct Loan Program | ⑥ Other Title IV Programs |
| ③ Federal Direct PLUS Program | ⑦ Other federal, state, private, and institutional programs |
| ④ Federal Pell Grant Program | ⑧ Student |

Institutional Refund Calculation — Refer to the Institutional Refund Calculation section in your individual school's catalog.

Reapplying for Financial Aid — A student must submit a new Free Application for Federal Student Aid (FAFSA) for each award year of his or her enrollment. If the student does not complete his or her term or payment period by June 30 of each award year, financial assistance may change and the student will need to reapply for financial aid by submitting a new Free Application for Federal Student Aid (FAFSA).

Seeking Additional Information — Students (and/or parents) who wish to seek additional information about financial aid and the financial aid process can refer to:

- ▶ The school's financial aid page located online on the school home page
- ▶ Department of Education's Funding Your Education: The Guide to Federal Student Aid, which can be downloaded from the websites www.studentloans.gov or www.fafsa.ed.gov
- ▶ School Enrollment Agreement
- ▶ School catalog
- ▶ Federal Student Aid Information Center: 1-800-4-FED-AID (1-800-433-3243)
- ▶ Department of Education websites: www.studentaid.ed.gov, <https://studentloans.gov> or www.fafsa.gov.
- ▶ Financial Aid Leader(s) listed on the staff list for the specific campus