

## Federal Financial Aid Changes for 2012-13

The federal government is implementing some significant changes in federal financial aid programs for the 2012-13 year. The Financial Aid Office would like to share these changes with you to help you plan for the up-coming year. These changes are due to new legislation passed by Congress.

### Undergraduates Receiving Pell Grants and Direct Student Loans

- Starting with the 2012-13 year, students are eligible to receive a maximum of 12 semesters of full-time Pell Grant funding. This includes all Pell Grants received during your college career at all institutions. Once you receive 12 full-time semesters of Pell Grant you will no longer be eligible for additional Pell Grant funds.
- Undergraduate Direct Subsidized Loans interest rates that are charged once a student goes into repayment after graduation will remain at 3.4% for the 2012/2013 academic year.
- There are new requirements for making financial aid satisfactory progress to retain your eligibility. The biggest change is that you will be required to start making pace toward your degree. Pace requires you to successfully complete 67% of your cumulative lifetime attempted credits and not just measure for the prior year. Further information is available [online](#).
- The federal origination fee charged for Direct Subsidized and Unsubsidized loans will increase from .5% to 1%. That means when you receive the actual disbursement of you loan funds for 2012-13 it will be 99% of the amount borrowed.
- If parents borrow from the Direct PLUS Loan program, the federal origination fee charged for Direct PLUS loans will increase from 2.5% to 4%. That means when you receive the actual disbursement of you loan funds in 2012-13 for the Direct PLUS Loan it will be 96% of the amount borrowed.

### Undergraduates Receiving Direct Student Loans but Not Receiving Pell Grants

- Undergraduate Direct Subsidized Loans interest rates that are charged once a student goes into repayment after graduation will remain at 3.4% for the 2012/2013 academic year.
- There are new requirements for making financial aid satisfactory progress to –retain your eligibility. The biggest change is that you will be required to start making pace toward your degree. Pace requires you to successfully complete 67% of your cumulative lifetime attempted credits and not just measure for the prior year. Further information is available [online](#).
- The federal origination fee charged for Direct Subsidized and Unsubsidized loans will increase from .5% to 1%. That means when you receive the actual disbursement of you loan funds for 2012-13 it will be 99% of the amount borrowed.
- If parents borrow from the Direct PLUS Loan program the federal origination fee charged for Direct PLUS loans will increase from 2.5% to 4%. That means when you receive the actual disbursement of you loan funds in 2012-13 for the Direct PLUS Loan it will be 96% of the amount borrowed.

### Graduate and Law Students Receiving Direct Loans

- Graduate and professional students who have already received a bachelor's degree will no longer be eligible for Direct Subsidized Loans. The amount you would have been eligible to borrow as Direct Subsidized Loans will be added to your eligibility for the Direct Unsubsidized Loan. You are not losing the amount you can borrow, but it will all be interest bearing while you are in school.
- There are new requirements for making financial aid satisfactory progress to retain your eligibility. The biggest change is that you will be required to start making pace toward your degree. Pace requires you to successfully complete 67% of your cumulative lifetime attempted credits and not just measure for the prior year. Further information is available [online](#). The federal origination fee charged for Direct Unsubsidized loans will increase from .5% to 1%. That means when you receive the actual disbursement of you loan funds for 2012-13 it will be 99% of the amount borrowed.
- The federal origination fee charged for Direct Graduate PLUS loans will increase from 2.5% to 4%. That means when you receive the actual disbursement of you loan funds in 2012-13 for the Direct Graduate PLUS Loan it will be 96% of the amount borrowed.