Terms and Conditions Governing Student Financial Aid

LSCS Financial Aid Departments

<table>
<thead>
<tr>
<th>Cy-Fair</th>
<th>Kingwood</th>
<th>Montgomery</th>
<th>North Harris</th>
<th>Tomball</th>
<th>University Park</th>
</tr>
</thead>
<tbody>
<tr>
<td>9191 Barker Cypress Road Cypress, Texas 77433</td>
<td>2000 Kingwood Drive Kingwood, Texas 77339</td>
<td>3200 College Park Drive Conroe, Texas 77384</td>
<td>2700 W.W. Thorne Drive Houston, Texas 77073</td>
<td>30555 Tomball Parkway Tomball, Texas 77375</td>
<td>20515 SH 249 Houston, Texas 77070</td>
</tr>
</tbody>
</table>
The Office of Financial Aid at Lone Star College System (LSCS) administers and coordinates student financial aid from federal, state, institutional, and private sources. Resources are available to supplement what a student and/or the student’s family is able to contribute to educational costs.

The goal of the Office of Financial Aid is to attempt to meet the documented financial need, within funding limitations, for all students who have completed the required application processes. LSCS participates in Federal Title IV programs including grants, loans, and student employment.

**APPLYING FOR FINANCIAL AID**

Step 1: Go to www.pin.ed.gov to apply for a Personal Identification Number (PIN). If you are required to include parent information on the Free Application for Federal Student Aid (FAFSA), your parent should also apply for a PIN. If you already have a PIN, proceed to step 2.

Step 2: Go to www.fafsa.gov to complete the FAFSA. Be sure to list the LSCS school code, 011145.

Step 3: After submitting your FAFSA, a copy is provided electronically to the LSCS Financial Aid Office (FAO). If you have been selected by the Central Processing System (CPS) for a process called verification, you will be required to submit additional documentation to the FAO. The FAO will notify you via their Lon Star email account of the documentation you are required to provide.

Step 4: Your financial aid eligibility is determined after the FAO has received your FAFSA and all required documents, provided you are:

- Admissions Application received;
- Seeking a degree or eligible certificate program;
- Meeting SAP policy requirements; and
- Meeting all other federal eligibility requirements.

Step 5: The FAO will send you an award letter detailing the awards you are eligible to receive.

Step 6: Accept or decline any financial aid offers.

Step 7: Direct Stafford Loan Borrowers

- You must complete a Direct Stafford Entrance Loan Counseling session. A link to the online session is available at StudentLoans.gov.
- If you are a first time Direct Stafford Loan borrower and/or new to LSCS, you must also complete a Master Promissory Note (MPN). You may complete a MPN by logging onto StudentLoans.gov.

**FAFSA Renewal**

Financial aid eligibility at LSCS is not automatically renewed from year-to-year. A FAFSA, or a Renewal FAFSA, must be submitted each academic year. The FAFSA is available January 1 of each year for the upcoming academic year.

**DETERMINING ELIGIBILITY**

Students must meet the following criteria in order to receive federal student aid:

- Be admitted into a degree or an eligible certificate program
- Demonstrate financial need (some loans do not require an applicant to demonstrate need)
- Have a high school diploma, GED or standards established by Texas, which are in compliance with standards approved by the U.S. Department of Education
- Be a U.S. citizen or eligible non-citizen
- Have a valid Social Security Number (SSN)
- Meet Satisfactory Academic Progress standards (see SAP section)
• Be registered with Selective Service, if applicable
• Must not be in default of any federal student loans

Note: A conviction of drug distribution or possession may affect a student’s eligibility for federal student aid.

All federal student aid programs have specific eligibility requirements that a student must meet in addition to those stated above. More information detailing specific criteria may be by logging onto: https://studentaid.ed.gov/types.

Course Enrollment
All initial financial aid awards are based on full-time enrollment status. Financial aid awards will be recalculated based on any changes in course enrollment. If enrollment is less than half time, grant and/or work-study awards may be reduced or cancelled.

<table>
<thead>
<tr>
<th>Enrollment Status</th>
<th>Credit Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>12+</td>
</tr>
<tr>
<td>Three-quarter time</td>
<td>9-11</td>
</tr>
<tr>
<td>Half-time</td>
<td>6-8</td>
</tr>
<tr>
<td>Less than half-time</td>
<td>1-5</td>
</tr>
</tbody>
</table>

The above enrollment statuses apply to all academic terms fall, spring, and summer.

Residency Status
LSCS is a public institution. Texas residents may be eligible for state funds. If there is a change in a student’s residency status, the student’s eligibility may subsequently change. Students may view their residency status in myLoneStar.

Grade Level
A student’s academic level is used to determine Federal Direct Loan limits. When a student progresses from freshman to sophomore, the student’s Federal Direct Loan eligibility may change. Direct Loans are not automatically increased based on a grade level progression. If a student changes grade level mid-year, loan amounts will not increase until the next Financial Aid year.

Satisfactory Academic Progress (SAP)
It is a requirement that all students maintain SAP to receive/keep financial aid. A change in SAP status may impact eligibility. See the Satisfactory Academic Progress section for additional details.

Additional Aid
Federal and state regulations require LSCS to consider additional sources of financial assistance when awarding aid. Additional aid may be in the forms of scholarships (LSCS or private), tuition waivers, tuition exemptions, veteran benefits, etc. A student’s myLoneStar account will list all additional aid LSCS FAO is aware. Receiving any additional aid later may cause a reduction to an existing financial aid award. Students should make every attempt to notify FAO before financial aid awards are credited. If this does not occur, the student may be asked to repay federal or state funds that s/he received.

Cost of Attendance (COA)
A student’s COA is an estimated cost for a student to attend college for one academic year. COA includes the costs related to a student’s enrollment in a postsecondary institution for a defined
academic period. The COA calculated by the FAO is based on costs from reported data, survey data and state data. COA may not reflect a student’s actual cost. The majority of the COA components are estimated living expense figures (indirect costs). The COA does not vary between the LSCS campuses.

COA components include:

Direct Costs
- **Tuition and Fees** – The cost a student is charged for taking classes. It is based on the number of credits enrolled. The full tuition cost includes segregated fees and is billed on a semester basis.

Indirect Costs
- **Books and Supplies** – The estimate of books and supplies is based on average costs for students attending LSCS. A student's actual costs will vary based on major, year in school, and enrolled courses.
- **Room and Board** – The average cost a student pays for a place to stay while attending college. The amount of this allowance will differ for students living off campus with roommates vs. students who lives with parents/relatives. Food costs are included in the room and board allowance. The cost is updated each year based on the projected increase in the college’s food services costs.
- **Personal/Miscellaneous** – Includes everyday living expenses such as laundry, toiletries, and a modest spending allowance for clothing and activities.
- **Transportation** – A daily allowance for travel to and from school.

### Average Cost of Attendance Per Term

<table>
<thead>
<tr>
<th></th>
<th>In District On-Campus</th>
<th>In District At home with Parents</th>
<th>In District Off-Campus</th>
<th>Out of District On-Campus</th>
<th>Out of District At home with parents</th>
<th>Out of District Off-Campus</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tuition and Fees</strong></td>
<td>1864</td>
<td>1864</td>
<td>1864</td>
<td>3964</td>
<td>3964</td>
<td>3964</td>
<td>4414</td>
</tr>
<tr>
<td><strong>Room and Board</strong></td>
<td>8888</td>
<td>5435</td>
<td>8888</td>
<td>8888</td>
<td>5435</td>
<td>8888</td>
<td>5435</td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
<td>1178</td>
<td>1178</td>
<td>1178</td>
<td>1178</td>
<td>1178</td>
<td>1178</td>
<td>1178</td>
</tr>
<tr>
<td><strong>Personal and Misc.</strong></td>
<td>1814</td>
<td>1814</td>
<td>1814</td>
<td>1814</td>
<td>1814</td>
<td>1814</td>
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<tr>
<td><strong>Total</strong></td>
<td>15744</td>
<td>12291</td>
<td>15744</td>
<td>17844</td>
<td>14391</td>
<td>17844</td>
<td>14841</td>
</tr>
</tbody>
</table>

**Note:**
Actual Costs only apply to tuition and fees. Other lines items are established estimates to provide eligible students with the best package.
Expected Family Contribution (EFC)
A student’s EFC is the amount of money the federal government (in accordance with the regulations outline in the Federal Student Aid Handbook) determines a family can contribute towards a college education during the award year. This is an estimate, and may not reflect the actual amount a student is expected to pay.

Verification
If a student’s FAFSA is selected for verification, s/he will receive a notification from the FAO. The student may be asked to submit signed copies of their IRS Tax Transcripts, W-2’s, and the IRS Tax Transcripts of a parent (dependent student) or spouse (independent student). A student will not be awarded financial aid until the verification process is complete.

Eligible Program of Study
To be eligible for federal aid, a student must be a regular student as defined in section 600.2 of the General Provisions regulations. Students are not eligible to receive federal Title IV assistance for credit hours/course work which will not count towards the completion of that student’s degree program requirements.

Audit Courses
Audited courses cannot be counted towards a student’s enrollment level for financial aid purposes.

Enrollment Status
Financial aid disbursements (excluding loans) generally occur each semester after the official day of record if all paperwork has been submitted timely, and the student is registered for the amount of hours used to determine financial aid eligibility. However, since students may drop courses during that first week, it is possible for aid eligibility to change after it has been disbursed. If courses are dropped, the student’s entire financial aid package will be recalculated. In some instances, the student will receive a bill for part or all of financial aid previously disbursed. Students should contact the FAO to discuss the possible impact of changing their enrollment level before adjusting their schedules.

TYPES OF AVAILABLE FINANCIAL AID

Grants
Federal and state grants are awarded to students based upon factors such as “need” as determined by the FAFSA and availability of funds. LSCS will award the maximum grants that a student qualifies for based on their application.

Pell Grant
Federal Pell Grants are undergraduate grant funds from the federal government. Federal Pell Grant awards must be applied for each year and are based on FAFSA eligibility. Initial awards are based on full-time enrollment. Final awards are based on enrollment as of Official Day of Record (ODR).

- Pell Grant Lifetime Eligibility Used (LEU)
The amount of Federal Pell Grant funds a student may receive over his/her lifetime is limited (by a federal guidelines) to be the equivalent of six years of Pell Grant funding. Since the maximum amount of Federal Pell Grant funding a student can receive each
year is equal to 100%, the six-year equivalent is 600%.

Federal Supplemental Educational Opportunity Grant (SEOG)
This federal undergraduate grant must be applied for each year and is for undergraduates with exceptional financial need. Federal Pell Grant recipients with the lowest EFC’s will be considered first for a FSEOG.

TEXAS Grant
This state grant is to assist students who completed an Advanced or Recommended High School Program and who demonstrate financial need. This student must be enrolled as a full-time student and must meet SAP.

Texas Education Opportunity Grant (TEOG)
This state grant is to assist students who are not eligible for TEXAS grant, have less than 30 attempted hours, and demonstrate financial need. The student must be enrolled in at least 9 hours each semester.

Texas Public Education Grant (TPEG)
This state grant is to assist students attending public institutions of higher education. To be eligible, a student must have remaining financial need.

Federal Work-Study
Work-Study gives students the opportunity to work and earn money while attending college. Open job postings are advertised on each campus based on the availability of student worker positions. Employment through this program is dependent upon job skills, class schedule, and the available positions. Please visit your campus FAO for additional information.

Guidelines
1. Federal Work-Study is part-time employment which cannot exceed 19.5 hours per week
2. Work-Study is different from regular part-time employment.
3. Money earned in a Federal Work-Study job does not count as income when filing the FAFSA.
4. Federal Work-Study students are paid bi-weekly.
5. Students are awarded funds based on the amount that a student can potentially earn but are only paid for hours worked.

Loans
The Federal Direct loan program provides long-term, low-interest loans to students. Loan funds are sent directly to Lone Star College from the Department of Education and are applied to the student’s account. Loans are borrowed money that must be repaid.

Federal Direct Subsidized Direct Loan
The purpose of the Subsidized Direct Loan is to provide low interest educational loans that enable a student to pay the cost of attendance. The federal government pays the interest on these loans while a student is in school.

A 1.072% origination fee is deducted from the proceeds of each loan disbursed after October 1,
2014. Currently, there are no guarantee or insurance premium fees. Loans that are first disbursed on
or after July 1, 2014 will have a fixed annual (simple interest) rate of 4.66% for the life of the loan.
The borrower is not responsible for the interest accruing while he/she is enrolled at least half-time.
Interest is not capitalized at any time and may be paid as it accrues.

Repayment of the loan begins six months after the student ceases to be enrolled at least half-time.
The loan repayment schedule will require a minimum monthly payment or an amount required to
repay the loan within 10 years, whichever is greater. Borrowers may be eligible for postponement of
loan repayment under certain circumstances.

Federal Direct Unsubsidized Loan
The purpose of the Federal Unsubsidized Direct Loan is to provide low interest educational loans that
enable a student to pay the cost of attendance. The borrower is responsible for interest that accrues
while in school, during a grace period, or during authorized periods of deferment or forbearance.

A 1.072% origination fee is deducted from the proceeds of each loan disbursed after October 1,
2014. Currently, there are no guarantee or insurance premium fees. Loans that are first disbursed on
or after July 1, 2014 will have a fixed annual (simple interest) rate of 4.66% for the life of the loan.
Interest accrues from the date the funds are issued until the loan(s) are paid in full.

Repayment of the loan begins six months after the student ceases to be enrolled at least half-time.
The loan repayment schedule will call for a minimum monthly payment or an amount required to
repay the loan within 10 years, whichever is greater. Borrowers may be eligible for postponement of
loan repayment under certain circumstances.

Federal Direct Parent Loan for the Undergraduate Student (PLUS)
Parents may request a PLUS loan to borrow up to the student’s cost of attendance minus any
other financial aid received. This loan is credit-based.

Applying for a Direct Student Loan
Students applying for a Federal Direct Student loan must complete the FAFSA by logging onto
www.fafsa.ed.gov and be enrolled in at least 6 credit hours or more.

Student will receive notification of financial aid award through their LSCS email which will require them
to complete the following steps.

1. Review award letter and accept loan(s) in myLoneStar (students may reduce or decline loan
   amounts in myLoneStar). Note: If students do not "accept" their loan(s), and there is not enough
   funding on the account, classes will not be held.
2. New and first time borrowers are required to complete Loan Entrance Counseling and e-sign a
   Master Promissory Note at Studentloans.gov.
   • To complete a MPN, you will be required to use your Department of Education issued PIN.
   • You will also need two references that live at different addresses.
   • For your records, be sure to print the Master Promissory Note (MPN).
Loan Amounts

<table>
<thead>
<tr>
<th></th>
<th>Dependent 1st Year Student</th>
<th>Dependent 2nd Year Student</th>
<th>Independent 1st Year Student</th>
<th>Independent 2nd Year Student</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(0-29 Hours)</td>
<td>(30 + Hours)</td>
<td>(0-29 Hours)</td>
<td>(30 + Hours)</td>
</tr>
<tr>
<td>$3500 Subsidized</td>
<td>$4500 Subsidized</td>
<td>$3500 Subsidized</td>
<td>$4500 Subsidized</td>
<td></td>
</tr>
<tr>
<td>$2000 Unsubsidized</td>
<td>$2000 Unsubsidized</td>
<td>$6000 Unsubsidized</td>
<td>$6000 Unsubsidized</td>
<td></td>
</tr>
</tbody>
</table>

Interest Rates

Direct Subsidized 3.86%
Direct Unsubsidized 3.86%

Direct Aggregate (lifetime) Loan Limits

The U.S. Department of Education has established aggregate loan limits for students borrowing from the Direct Loan programs.

<table>
<thead>
<tr>
<th>Dependent Undergraduates</th>
<th>Independent Undergraduates &amp; Dependent students whose parent can’t get PLUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$23,000 Subsidized</td>
<td>$23,000 Subsidized</td>
</tr>
<tr>
<td>$31,000 Subsidized and</td>
<td>$57,500 Subsidized and Unsubsidized</td>
</tr>
<tr>
<td>Unsubsidized</td>
<td></td>
</tr>
</tbody>
</table>

Note: To review your loan history, log onto [www.nslds.ed.gov](http://www.nslds.ed.gov).

Federal Subsidized Student Loan Borrowing Limitations

As of July 1, 2013, a first-time Federal Subsidized Student Loan borrower is no longer eligible for the Subsidized Student Loan program if he or she exceeds 150% of the published length necessary to graduate within an undergraduate degree program. In addition, a borrower reaching the 150% limit becomes ineligible for the interest subsidy benefits on all Federal Subsidized Loans disbursed to the borrower on or after July 1, 2013.

SATISFACTORY ACADEMIC PROGRESS (SAP)

Policy

All LSCS aid applicants must meet three Satisfactory Academic Progress (SAP) requirements prescribed by federal regulation in order to receive financial aid. Those SAP requirements include maintaining at least a cumulative 2.0 grade point average, completing successfully 67% of cumulative credits attempted, and earning a degree or certificate within 150% of the published length in credit hours of the
To qualify for aid, a financial aid recipient must maintain SAP, i.e., "Meet SAP". Failure to meet SAP will result in ineligibility for aid, i.e., "Not Meet SAP". There is one term of eligibility when a student will be placed on "Warning". If extenuating circumstances result in failure to meet SAP after one term of Warning, a student may appeal to continue to receive aid. An appeal must include an academic plan. If the appeal is approved, future terms of aid eligibility are contingent on following the academic plan. During those terms, a financial aid recipient is placed on "Probation" and is eligible to receive aid. If aid eligibility is suspended at any time, i.e., "Not Meet SAP", aid eligibility may be reinstated by meeting the SAP requirements.

Note: Paying for one’s classes nor sitting out for a term affects a student’s academic progress status, therefore neither is sufficient to reestablish aid eligibility.

Evaluation Period
LSCS will evaluate SAP at the end of each term, i.e., Fall, Spring, and Summer, for which a student receives financial aid.

An aid recipient's cumulative record, i.e., all enrollment periods at LSCS, regardless of whether or not aid was received during the periods, along with transfer credits, will be evaluated.

All new admits that files a FAFSA will have a SAP evaluation performed based on the student's prior LSCS enrollment record and any transfer credits, if applicable. A first time student with no prior college enrollment will be assigned "Meets SAP" and will be aid eligible.

Requirements
SAP will be measured on the three metrics required by federal regulations. Students who do not meet the following requirements risk having their financial aid suspended.

- Cumulative Grade Point Average – a student must maintain a 2.0 cumulative GPA to retain financial aid eligibility.
- The cumulative grade point average is computed by adding the grade point values for college-level, developmental, English for Speakers of Other Languages (ESOL), and transfer courses for which grade point values (A, B, C, D, and F) are assigned and dividing this total by the appropriate number of credit hours attempted. Only credits for which grades are awarded are used in calculating grade point average. If a course is repeated, the highest grade is the permanent grade.

SAP Statuses
LSCS uses the following SAP statuses.

- **Meets SAP:** A status assigned to a student that meets all three SAP requirements and is aid eligible.
- **Warning:** A status assigned to a student that did not meet the SAP cumulative GPA and/or cumulative completion rate requirements and had a SAP status of “Meets SAP” in the prior term. For one term, the student is moved automatically to “Warning” and is aid eligible.
At the end of the “Warning” term the student must have met SAP, i.e., “Meets SAP” and remain aid eligible or be moved to “Not Meet SAP” and lose aid eligibility.

- **Not Meeting SAP/Failed SAP/Financial Aid Suspension:** A status assigned to a student that did not meet one of the three SAP requirements. When placed on “Not Meet SAP”, the student is ineligible for financial aid. This unsatisfactory status may be appealed.

  Aid eligibility is reinstated when a student meets all three requirements satisfactorily.

- **Appeal Approved (Probation):** A status assigned to a student that did not meet a SAP requirement, was placed on ”Not Meeting SAP", filed an appeal, and the appeal was approved. "Probation” status is aid eligible.

- **Academic Plan:** Student must meet with an academic advisor on the campus in which the degree plan is offered to complete the academic plan. The plan must be submitted to the Financial Aid Office by the submission deadline.

- **Appeal Denied:** If an appeal is denied, the student may choose to file a written appeal to the Financial Aid Satisfactory Academic Appeals Committee, which will review the appeal and notify the student via myLoanStar email.

- **Not Meet SAP (Ineligible):** A status assigned to a student who meets one or more of the following conditions:
  2. Status of “Academic Plan 1”, received a plan modification, status changed to “Academic Plan 2”, and did not meet the requirements of the new plan.
  3. Prior status of “Maximum Time Suspension “Not Meet SAP”, appeal was approved, status changed to “Academic Plan 1”, and received an F, W, I, IP, or NP for the term or failed to meet any of the requirements of the Academic Plan.

Or

- Status of “Appeal Denied”, submitted a second appeal to the committee and the committee denied the appeal.

**Appeal Process**

Students must appeal their financial aid suspension through myLoneStar.

- Log in to myLoneStar and click on the SAP Appeal Form.
  - Students not meeting SAP will see a notice in the Student Center with a link to the SAP Appeal Form. Students must fill out the form completely.
  - Choose reason(s) for losing financial aid eligibility. This information will be sent via e-mail to each student’s Lone Star e-mail address.
  - Indicate the problems that contributed to being unable to maintain SAP.
  - Attach all supporting documentation of mitigating circumstances including medical bills, doctor’s statements, unemployment verification, death certificate, obituary, etc.

- Enter a statement regarding what’s been done to address the problems that prevented SAP.
- Mitigating or extenuating circumstances may include: illness, death in the family, family
Disbursements (i.e., parents separation or divorce), or change of major which caused student to exceed maximum time frame.

- Appeal decision: An appeal will be reviewed within 30 days of receipt by the Financial Aid Director, or designated staff.
  - Appeals will be considered if the documentation:
    - substantiates the extenuating circumstances,
    - explains the student's prior situation and what has changed to allow the student to perform satisfactorily is adequate, and
    - indicates the student could achieve satisfactory academic progress status and complete the program of study within the maximum time frame if the student follows the academic advising report and successfully completes the coursework.

The student will be notified by email of the SAP Appeal decision promptly.

If an appeal is granted, the student will be placed on "Probation" and financial aid will be awarded.

If an appeal is denied, the student may choose to file a written appeal to the Financial Aid Satisfactory Academic Progress Appeals Committee, which will review the appeal and notify the student of its decision promptly. The Financial Aid Satisfactory Academic Progress Appeals Committee decision is final and cannot be appealed.

Reinstatement of Financial Aid
A student that fails to meet the SAP requirements and is placed on "Not Meeting SAP. If this status is assigned, the student should review the “SAP Statuses” section for additional instructions.

FINANCIAL AID DISBURSEMENTS AND REFUNDS

Disbursements
LSCS will not disburse financial aid until all verification is complete. If a student is awarded financial aid prior to the payment deadline the aid should show online as a pending credit. The total amount of financial aid is generally credited to the student bill in two installments (half in the fall semester and half in the spring semester). Grants, loans and installment payments credited to student accounts will be applied to all outstanding tuition charges before refunds are generated. Students are issued refunds if the credited financial aid is greater than (exceeds) the charges (tuition, fees, and book vouchers, if applicable).

1. Students who have been awarded a Federal Pell Grant and FSEOG, if applicable, before the first day of classes will be able to retain their classes without payment until the Official Day of Record for the term, provided that the student's tuition and fee debt is less than, or equal to, the amount awarded. Payment will automatically be made to the Business Office on the Official Day of Record.

2. If the student's tuition and/or fee debt is more than the award for the term the student must make that payment on or before the payment due date listed in the Schedule of Classes for the
3. Students who are awarded Federal Pell Grant after the start of classes for the term will be award
   based on their enrollment level on:
   a) the student's Official Day of Record or,
   b) the date their file is completed in the financial aid office, whichever is later.

Outside scholarships will not be credited to a student's account until the check arrives at the College.
Scholarship balance refunds are issued to students according to the donor's specifications.

Grant and LSCS Scholarships
Financial aid refunds generally occur during the fourth week of each semester if all paperwork has been
submitted in a timely fashion, and the student is registered for the amount of hours used to determine
financial aid eligibility.

Direct Subsidized Loan/ Direct Unsubsidized Loan/ Direct Parent PLUS Loan Disbursements
Most students apply for a Direct loan in the fall to cover expenses during the fall and spring terms. Under
the terms of this loan, half of the loan is disbursed in the fall and half is disbursed in the spring. When a
loan is requested to cover expenses for one term only, funds are disbursed in two installments during
that one semester (e.g., a fall only loan). LSCS will only certify up to half the annual loan limit for one
term only applications (depending on eligibility requirements).

30 Day Waiting Period
LSCS cannot disburse loan funds until after the 30th class day for 1st-time Direct Loan borrowers. If
multiple disbursements are required within one term (i.e. one term only loan), the secondary
disbursement will be released after the midpoint of the semester has passed. Tuition, fees, or other
allowable institutional charges remaining from the beginning of the semester will be deducted from loan
proceeds and the remaining balance credited to the students account.

Late Start Classes
Students who only enroll in late-start classes will receive a disbursement in their student accounts after
their late start class(es) begin. Contact the Financial Aid Department for specific information regarding
late-start classes.

Dropping Courses
If a student drops below six credit hours, any portion of the loan that has not been released will be
cancelled and the lender will be notified that the student is no longer enrolled at least half-time.
Students are required to complete an exit counseling if this occurs.

Students who apply for loans will have their eligibility and enrollment level based on the date the loan is
certified and again the date the check is disbursed. Students who change enrollment to below half time (5
or less hours), or who fail to maintain Satisfactory Academic Progress (SAP), after the loan is certified will
have their loans cancelled.

Federal Direct Parent PLUS Loans
Federal Direct Parent PLUS loans are disbursed based on the borrower’s specifications. Funds will not be
automatically credited to the student’s account. The student account must be at a zero balance before
Refunds

Refund Policy
The refund policy for Lone Star College is based upon the assumption that student tuition and fees provide only a portion of the actual incurred costs to provide educational opportunities. When a student enrolls in a class, a place is reserved which cannot be given to another student. This represents a significant cost to LSCS whether or not class enrollment is continued.

Title IV (Federal Pell Grant, FSEOG, Federal Work-study, and Federal Direct Loans) aid recipients are subject to a different policy upon complete withdrawal of classes. Refunds for tuition are processed from Lone Star College System four to six weeks after the Official Day of Record. Refunds for courses scheduled outside the sessions listed in this section will be made on a prorated basis in accordance with the refund policy.

<table>
<thead>
<tr>
<th>Semester Length Courses Fall and Spring Semesters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior to the first calendar day of the semester</td>
</tr>
<tr>
<td>100% refund</td>
</tr>
<tr>
<td>During the first 15 calendar days of the semester</td>
</tr>
<tr>
<td>70% refund</td>
</tr>
<tr>
<td>During the 16th-20th calendar days of the semester</td>
</tr>
<tr>
<td>25% refund</td>
</tr>
<tr>
<td>After the 20th calendar day of the semester</td>
</tr>
<tr>
<td>No refund</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Six-week Summer Semester</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior to the first calendar day of the semester</td>
</tr>
<tr>
<td>100% refund</td>
</tr>
<tr>
<td>During the first 5 calendar days of the semester</td>
</tr>
<tr>
<td>70% refund</td>
</tr>
<tr>
<td>During the 6th-7th calendar days of the semester</td>
</tr>
<tr>
<td>25% refund</td>
</tr>
<tr>
<td>After the 7th calendar day of the semester</td>
</tr>
<tr>
<td>No refund</td>
</tr>
</tbody>
</table>

Return of Title IV

Refund Policy for Return to Title IV
Under the higher education amendment regulation called Return of Title IV Funds, all students receiving Title IV aid who withdraw from the institution in the first 60% of the term are subject to the Return of Title IV Fund policy. This regulation affects the calculation of aid to be returned as well as repayment procedures. The percentage of aid earned by a Title IV aid recipient is determined by calculating the percentage of the period that the student completed. If the student completes up to 60% of the term, the percentage of aid earned equals the percentage of the completed period. A portion of the Title IV funds (Federal Pell Grant, FSEOG, Federal Direct Subsidized, Unsubsidized and Parent PLUS Loans) awarded to
the student must be returned. The calculation of the return of these funds may result in the student
owing a balance to Lone Star College System and/or the Department of Education. It is the student’s
responsibility to officially withdraw from all classes. If the student completes 60.01% or more, the student
earns 100% of aid. Students who are no longer attending at least six credit hours at the time loan funds
are scheduled to be disbursed are not eligible to receive those funds. The loan will be cancelled and all
loan funds returned to the Department of Education.

The Financial Aid Office is required by federal statute to recalculate federal financial aid eligibility for
students who withdraw, drop out, are dismissed, or take a leave of absence prior to completing 60% of a
payment period or term. All Title IV financial aid programs must be recalculated in these situations.

If a student leaves LSCS prior to completing 60% of a payment period or term, the financial aid office
recalculates eligibility for Title IV funds. Recalculation is based on the percentage of aid earned must
recalculate their aid using the following Federal Return of Title IV funds formula:

Percentage of payment period or term completed equals the number of days completed up to the
withdrawal date divided by the total days in the payment period or term. (Any break of five days or more
is not counted as part of the days in the term.) This percentage is also the percentage of aid earned.

Funds are returned to the appropriate federal programs based on the percentage of unearned aid using
the following formula: Aid to be returned equals (100% of the aid that could be disbursed minus the
percentage of earned aid) multiplied by the total amount of aid that could have been disbursed during
the payment period or term.

If a student earned less aid than was disbursed, the institution and/or the student may be required to
return a portion of the funds. Keep in mind that when Title IV funds are returned, the student borrower
may owe a debit balance to the institution.

If a student earned more aid than was disbursed to him/her, the institution would owe the student a
post-withdrawal disbursement which must be paid within 120 days of the student’s withdrawal.

The institution must return the amount of Title IV funds for which it is responsible no later than 45 days
after the date of the determination of the date of the student’s withdrawal.

Return funds are allocated in the following order:
- Unsubsidized Federal Direct Loans
- Subsidized Federal Direct Loans
- Federal Parent (PLUS) Loans
- Federal Pell Grants
- Federal Supplemental Opportunity Grants
- Iraq Afghanistan Service Grant for which a return is required

**Title IV financial aid at Lone Star College System includes the Federal Pell Grant, the Federal
Supplemental Educational Opportunity Grant, the Federal Direct Loan (both subsidized and unsubsidized),
and the Federal Parent Loan for Undergraduate Students (PLUS).**
Repayment of Return of Title IV

The student has up to 45 day period to repay Title IV funds. If the student does not repay the funds, the student becomes ineligible for Title IV funds. The student will remain ineligible until the student enters into a satisfactory repayment agreement with LSCS. Students can make repayments or setup payment plans by contacting the Business Office.