

## **A summary of changes which can impact students for the 2017-2018 award year.**

### FAFSA Filing – Earlier Availability

As of October 2016, the FAFSA form will be available to be filed for the upcoming 2017-2018 academic year. In previous years, the FAFSA would not be available for the coming academic year until January 1 of that year. So, for the 2016-2017 academic year, the FAFSA was not available until January 1, 2016. For the 2017-2018 academic year, the FAFSA was available beginning October of 2016. Moving forward, the FAFSA will be available for the coming academic year in October of the preceding year. So for the 2018-2019 academic year, the FAFSA will be available in October of 2017.

### FAFSA Filing – Prior Prior Year Income

Because of the earlier availability to file the FAFSA, students and parents (if applicable) will be required to provide the prior prior year income instead of just the prior year income. Since accurate income information will not be available before the end of the year the FAFSA will ask for the prior prior year's income instead. For example, previously when filing the FAFSA, you would be asked to provide 2016 income for the 2017-2018 FAFSA. Now, you will be asked for your 2015 income, the prior prior year, instead. This will be standard now moving forward.

### Direct Loans

#### Reinstatement of Interest Subsidy During Six Month Grace Period (continued from 2014-2015)

New subsidized Direct loans disbursed as of July 1, 2014 will once again be eligible for the interest subsidy during the six month grace period. It had been temporarily suspended in 2012 but it has been reinstated for new loans only, as of July 1. Please contact your Financial Services department for details.

### New Interest Rates and Origination Fees

The interest rates for loans disbursed on or after July 1 of each year, will be calculated based on the Treasury bill rate as of June 1 (plus an additional add-on rate). Since interest rates will be calculated every year, it is very likely you will have different interest rates on subsequent loans as well as any prior federal loans disbursed before July 1, 2013. Once calculated, the interest rate for that loan will not change. Please see the chart below for the current interest rate specifics.

Loan Type	Student Grade Level	Cohort		2017-2018 Fixed Interest Rate
		First Disbursed On/After	First Disbursed Before	
Direct Subsidized Loans	Undergraduate Students	7/1/17	6/30/18	4.45%
Direct Unsubsidized Loans	Undergraduate Students	7/1/17	6/30/18	4.45%
Direct Unsubsidized Loans	Graduate/Professional Students	7/1/17	6/30/18	6%
Direct PLUS Loans	Parents of Dependent Undergraduate Students and Graduate/Professional Students	7/1/17	6/30/18	7%

The following chart shows the sequester-required loan fees for FY 2017 and FY 2018.

Direct Loan Fees for FY 2017 and FY 2018			
Loan Type	First Disbursed	Loan Fee Percent	Fee Example
Direct Subsidized Loans and Direct Unsubsidized Loans	First disbursed on or after October 1, 2015	1.068	\$58.74 on a \$5,500 loan
	First disbursed on or after October 1, 2015	1.069	\$58.79 on a \$5,500 loan
Direct PLUS Loans (Parent and Grad/Prof Student)	First disbursed on or after October 1, 2015	4.272	\$427.20 on a \$10,000 loan
	First disbursed on or after October 1, 2015	4.276	\$427.60 on a \$10,000 loan

Loan fee calculations that result in more than two decimal places must be truncated (not rounded) to two digits after the decimal point (cents).

## PLUS Loans (continued from 2015-2016)

PLUS borrowers must not have adverse credit prior to borrowing a PLUS loan. Adverse credit is defined as having one or more debts that:

- are 90 days or more delinquent;
- are in collections or have been charged off during the two years preceding the date of the applicant's credit report; and
- the total combined outstanding balance of those debts is greater than \$2,085.

All PLUS loan borrowers must complete PLUS loan entrance counseling.

The Department of Education provides the opportunity for borrowers with adverse credit to be reconsidered for the PLUS loan under the "extenuating circumstance" provision of the Higher Education Act 685.200(c) (vii).

Extenuating Circumstances are reviewed by ED and a case by case determination is made based on the specific factors related to the borrower. Some of the factors are; borrower has made efforts to pay the delinquent debt, cumulative past due debt, or if the family has a prior PLUS loan.

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