2020-2021
FINANCIAL AID GUIDE
Questions?

If you have questions after reviewing your award notification and this guide, use the following information to determine which office to contact.

Questions related to the following areas should be addressed to the Financial Aid Office:

- financial aid application process
- award notification
- award amounts
- loan application process
- satisfactory academic progress policy for financial aid recipients
- entrance and exit counseling for Direct Loans
- work study/student employment
- financial aid disbursements

Cashier’s and Business Office
Rochester Community and Technical College
851 30th Avenue SE
Rochester, MN  55904

Phone: (507) 285-7311
Toll-Free: 1-800-247-1296
Ext. 7311

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This booklet is designed to help you understand your Financial Aid Award notification and the procedures for processing and disbursing aid.

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**WHAT IS THE COST TO ATTEND RCTC?**

Estimated costs for the 2020-2021 academic year (2 semesters) are as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and Fees (15 cr/semester)</td>
<td>$5,883.</td>
</tr>
<tr>
<td>Books and Supplies</td>
<td>$1,600.</td>
</tr>
<tr>
<td>Housing</td>
<td>$8,000.</td>
</tr>
<tr>
<td>Personal Expenses</td>
<td>$5,400.</td>
</tr>
<tr>
<td>Transporations</td>
<td>$2,900.</td>
</tr>
<tr>
<td><strong>Total Cost of Attendance</strong></td>
<td><strong>$23,783.</strong></td>
</tr>
</tbody>
</table>

In addition to tuition, fees and textbooks, Financial Aid funds may be used to cover basic living expenses for the student, such as medical expenses, transportation, laundry, etc. The costs associated with these items are included in the estimates listed above.

**HOW IS MY ELIGIBILITY FOR FINANCIAL AID DETERMINED?**

The Financial Aid Office must determine your ‘financial need’ before your financial aid notification is generated. When you completed the Free Application for Federal Student Aid (FAFSA), the U.S. Department of Education performed a needs analysis using a standard federal formula. The result of this analysis, the expected family contribution (EFC), was sent you and was also shared with RCTC.

To determine your financial need, we begin with RCTC’s Cost of Attendance and subtract your EFC.

\[
\text{RCTC Cost of Attendance} - \text{Expected Family Contribution} = \text{Students ‘financial need’}
\]

Your financial need is the total amount of need-based aid you can receive from all sources. You may be able to obtain a non need-based loan to substitute for the expected family contribution, if necessary.

**WHEN IS FINANCIAL AID AVAILABLE?**

Accepted financial aid funds are applied to outstanding charges on or after the tenth class day during fall and spring semesters. Aid offers generated after the beginning of the term are released as soon as possible. Students enrolled entirely in late start courses will have their funding disbursed the week prior to their first course start dates.

Any aid remaining after all charges are paid will be refunded to you to be used for education-related expenses. The refund amount (i.e.: ‘financial aid overage’) is released to you based on your selected disbursement method.

You must use the refund selection kit mailed to you (GREEN ENVELOPE) to designate how you want your funds released (by electronic deposit to an existing bank account or to a BankMobile Vibe Account).

Search ‘direct deposit information’ on the RCTC website for more information about how to declare your preference for disbursement, or to obtain assistance with a lost or misplaced Yellowjacket card.

The Cashier’s Office at RCTC releases financial aid overage amounts. Questions regarding disbursement should be directed to the Cashier’s Office on main campus at (507) 285-7311.

**DISBURSEMENT DATES**


RCTC may be required to hold, reduce, change or cancel your disbursement if you are not meeting eligibility requirements at the time of disbursement or if you later become ineligible. Some reasons why your aid could be delayed or cancelled include, but are not limited to, the following:

- hold on student account
- outstanding balance from a prior term
- delayed loan disbursement rules apply
- enrollment in late start courses
- not enrolled in correct number of credits to qualify
- withdrawing from courses
- report of non-attendance
- failure to meet academic standards
- late registration
- exceeded maximum number of developmental courses

If your disbursement is delayed and you are not sure why, please contact us at financialaid@rctc.edu or stop by the Welcome and One Stop Center. We can help!

**ATTENTION LOAN BORROWERS:**

The timing of DIRECT LOAN disbursement may be different than the schedule for your other aid. If you are borrowing for the first time or are borrowing one semester at a time, please see disbursement information on our website and/or review your loan disclosure for estimated disbursement dates.
ATTENDANCE REQUIREMENT

In order to receive financial aid, you must be attending/participating in your courses. Your aid eligibility will be cancelled if you do not attend a course(s) for which you registered. These rules apply to courses that meet on campus as well as to those that are online. You must be actively participating to remain eligible for aid. Your instructor must report any student who has not participated in class to the Admissions and the Financial Aid Offices. If you are not able to attend or participate your classes for any reason, attempt to contact your instructor first. If you are not able to reach them, your Advisor can also be of assistance.

WITHDRAWING FROM COURSES

Students who receive financial aid and withdraw or stop participating in courses prior to the 60% point of the term are considered to have received unearned financial aid. RCTC is required by federal and state laws to perform refund calculations to determine the amount of aid you must return.

If you are considering withdrawing from courses or making a change to your schedule, please contact your Academic Advisor and/or a member of the Welcome and One Stop Center to discuss the consequences of the change, prior to taking any action.

SATISFACTORY ACADEMIC PROGRESS POLICY FOR FINANCIAL AID RECIPIENTS

All schools offering financial aid are required by federal and state laws to establish and enforce a Satisfactory Academic Progress (SAP) policy. The policy defines the standards a student must meet to remain eligible to enroll and to receive financial aid. RCTC’s Financial Aid Satisfactory Academic Progress policy has three major components that are evaluated when determining a student’s standing:

1. **A cumulative completion rate of 67%**. Your completion rate is calculated by dividing completed credits by the credits you have attempted. The calculation includes all RCTC credits (including those processed as ‘Fresh Start’) and those accepted in transfer.

2. **A cumulative grade point average (GPA) of 2.0.** GPA is calculated using only RCTC credits (including those processed as ‘Fresh Start’).

3. **A maximum timeframe to complete your program.** In addition to earning good grades, you must complete your program within a specific timeframe. When a student has attempted 150% of the credits needed for their current major, a ‘maximum timeframe’ suspension is placed, and the student is no longer eligible to receive aid. Both RCTC and Transfer credits are used. This can be appealed if you changed majors or are returning for another degree.

The full version of the RCTC Financial Aid satisfactory academic progress policy on our website at https://www.rctc.edu/policies/student/financial-aid-sap/. The student handbook also includes a printed copy of this policy.

NOTE REGARDING RCTC “FRESH START”

Federal regulations require that transcript adjustments approved under RCTC’s “Fresh Start” policy are added back into your GPA and Completion Rate calculations for Financial Aid purposes.

PAYMENT AND BILLING

RCTC does not generally mail monthly bills. Your will be asked to view your account, online, using e-services at https://www.rctc.edu/eservices/

In addition to viewing your bill, you can make online payments and sign up for a payment plan through e-services. In-person payment transactions are handled through the RCTC Cashier’s Office located on the main campus.

WHAT IS AN OVERAWARD?

Federal and state regulations prohibit students from receiving financial assistance that exceeds their calculated financial need and cost of attendance ("overaward"). RCTC is required to reduce aid to resolve overawards and students are asked to repay these funds. Overawards generally occur when RCTC discovers a student has received scholarships or other assistance after Financial Aid is disbursed.
Examples of assistance that might cause an overaward and affect your eligibility include:

- Scholarships
- Vocational Rehabilitation Services awards
- Federal or State Military Tuition Assistance
- Tuition Waivers
- Assistance from the Workforce Center
- Assistance from other third-party agencies

If you are receiving any type of additional assistance, please notify the Financial Aid Office if you have not already done so.

REPEATING COURSES

In general, you may receive aid to repeat a course until you receive a passing grade (subject to College Policy). Once a course has been passed, you may only receive aid for one additional attempt, for the purposes of improving your grade.

CONSUMER INFORMATION

The Higher Education Act requires each institution to provide students with Consumer Information related to their education. RCTC makes these disclosures available at https://www.rctc.edu/about/consumer-info/

SUMMER AID

The Financial Aid Office processes summer aid separately from standard 9-month academic year (fall/spring) aid. Summer award notices are sent out shortly after registration begins. If you are registered for Summer and received aid from RCTC for Fall or Spring semesters, we will automatically generate a summer award notice for you. You will be notified via your RCTC email address. Keep in mind there are limits to the amount of aid you can receive in one 12-month period. Plan ahead if you are considering summer classes.

DRUG CONVICTION NOTIFICATION

As prescribed in Section 484A of the Higher Education Act of 1965, a student becomes ineligible to receive Federal Title IV Financial Aid if the student is convicted of an offense under any federal or state law involving the possession or sale of illegal drugs during a period of enrollment for which the student was receiving Federal Title IV Financial Aid.

If a student has been convicted of such an offense, they should contact the Financial Aid Office for further information on the steps necessary to regain eligibility.

TYPES OF AWARDS

SCHOLARSHIPS

Scholarships are considered gift aid and do not have to be repaid.

Scholarships are awarded separate from RCTC’s Financial Aid offer. A separate application is generally required for each individual scholarship, based on the criteria set by the provider. Deadline dates vary.

Common scholarship resources RCTC students use include:

- Rochester Community and Technical College Foundation Scholarships: The RCTC Foundation offers a variety of scholarships to incoming, returning and graduating students. Applications are generally accepted from December to February, with awards being made for the following academic year. Actual application dates vary. Visit the RCTC Foundation website at https://www.rctc.edu/foundation/scholarships/ for specific application dates this year.

GRANTS

Grants are considered gift aid and do not have to be repaid unless the student does not complete their courses.

FEDERAL PELL GRANT

Federal Pell Grant funding is based on financial need. Full-time status for the Pell Grant is 12 or more credits per term. Eligibility is prorated for enrollment less than full-time. In some cases, students qualify for Pell grant funding at the less-than-half-time enrollment level (1-5 credits). Refer to your award notification to determine your eligibility.
Federal regulations prohibit a student from receiving Pell Grant funding from more than one college at the same time. If you are enrolled in more than one college, please contact the Welcome and One Stop Center so we can help you coordinate your Financial Aid with the use of a Consortium Agreement.

Rules for the Federal Pell Grant allow students to receive Pell Grant funds until they have earned their first bachelor’s degree. In addition, students cannot receive Pell Grant for more than six (6) annual award amounts (years). If you have already received the Pell Grant for 12 full-time semesters (or its equivalent), you will not be eligible for this grant. You should work with your academic advisor to develop an academic plan to ensure timely completion of your degree to minimize your out of pocket costs.

Due to Federal Regulations and related RCTC policy, your Federal Pell Grant will be paid to you based on the credits you are enrolled in at the end of the standard drop/add period. This is usually the fifth class day for fall and spring semesters. If you add a class after this date, your Pell Grant will not be increased based on this change in enrollment.

MINNESOTA STATE GRANT
This grant is available to Minnesota residents who do not have a bachelor’s degree, enroll in at least three credits per term, show financial need, and have attended post-secondary institutions for less than the equivalent of four full years. If you are eligible to receive a State Grant, your award notification will show your award amount at each individual credit level.

To be considered for the Minnesota State Grant, your FAFSA (Free Application for Federal Student Aid) must be received at the federal processor by the 30th day of the term.

A student who meets the Minnesota Grant definition of a Minnesota resident only because s/he graduated from a Minnesota high school must physically attend courses in Minnesota if s/he currently resides in another state. Taking all on-line courses and not physically attending courses in Minnesota would make such students ineligible to receive Minnesota State Grant.

Minnesota State Grant payments cannot be released to a student who is more than 30 days in arrears on child support payments. Grant payments are also withheld from students delinquent on SELF loan payments.

FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT (SEOG)
These limited funds are awarded to students who have Federal Pell Grant eligibility, low expected family contributions, and a high amount of remaining need after other grants and scholarships are awarded. Funding is limited and is awarded on a first-come, first-served basis.

If you received a work study award on your award notice, you must complete additional steps to select a work study job and complete the
paperwork necessary to be placed on the student payroll. Visit https://www.rctc.edu/financialaid/workstudy/ to begin this process.

You will submit an electronic timesheet and be paid every two weeks for hours worked. You must use your Refund Selection Kit to designate how you want your pay released to you - by electronic funds transfer (EFT) to an existing account or to a BankMobile VIBE account. For more information see https://www.refundselection.com/

Students who did not receive work study as part of their award notification be placed on a waiting list by contacting the Welcome and One Stop Center.

LOANS
Loans are funds that must be repaid, with interest.

Each type of loan has its own interest rate and terms for repayment. Be sure to carefully read the loan agreement before you sign. All federal loan programs require students to be enrolled at least half time (six or more credits per term) to be eligible to borrow and/or receive their funds.

FEDERAL DIRECT LOANS
Funding for these loans comes directly from the federal government. There are two types of Federal Direct Loans: subsidized and unsubsidized. Subsidized loans are available to students who show financial need. Unsubsidized loans are not based on financial need but are still offered based on the cost of attendance at RCTC. A cosigner is not required for either loan type, nor is your credit rating checked when you apply. You are responsible for being aware of the terms of the loan at the time you sign a promissory note. Common elements are described below for both programs, followed by specific details for both the Subsidized and the Unsubsidized Direct Loan programs.

Repayment on Direct Loans. Repayment begins six months after you graduate, withdraw, or enroll less than half time. Payments are made monthly and several loan repayment plans are available. More information on repayment options is available at www.studentaid.gov. Once the loan is in repayment status, Direct Loan deferments are available for various reasons specified by law. Borrowers may defer payments for the following reasons:
- enrolled in school at least half-time
- unemployment
- economic hardship

Federal Direct Loan Master Promissory Note (MPN). If you borrow under the subsidized or unsubsidized Direct Loan program, and you have not previously borrowed under either of these programs, you will need to complete a Federal Direct Loan Master Promissory Note (MPN).

The MPN is a legal document you sign. Your signature indicates you promise to repay your Direct Loans and abide by all the terms and conditions of the Direct Loan program. The MPN is good for all Direct Loans (both subsidized and unsubsidized) for up to 10 years, even if you change schools. You will complete the MPN, online, when you accept your loan through e-services. Your loan request will not be processed until RCTC receives confirmation of your completed loan counseling from the Department of Education.

Federal Direct Loan Interest Rates and Origination Fees. The federal government sets interest rates for the upcoming academic year on July 1st for Federal Direct subsidized, unsubsidized and Parent (PLUS) loans. In addition, there is an origination fee charged on each Federal Direct loan. This fee is calculated as a percentage of your loan amount. It will be subtracted from your loan prior to disbursement. For more information including interest and origination fee rates, visit https://studentaid.ed.gov/sa/types/loans/subsidized-unsubsidized#interest-rates

Annual Direct Loan Limits. Students are eligible to borrow up to the annual program maximum once for each 12-month academic year (fall, spring and summer). If you borrow the maximum loan amount at your grade level for fall/spring, you will not be able to borrow under the Direct Loan program for summer.

Direct Loan Proration. Students graduating during this academic year and attending less than a full academic year are required by federal law to have their Direct Loan amounts (subsidized and unsubsidized) prorated. Contact the Financial Aid Office for more information regarding Direct Loan proration.
Direct Loan Exit Counseling. Federal law requires the Financial Aid Office to provide Direct Loan borrowers with loan exit counseling at the time of graduation or leaving school. The Financial Aid Office will send you information regarding exit loan counseling at the time you apply for graduation or drop below half-time status.

Federal Student Loan Ombudsman. A student loan ombudsman works with borrowers to resolve disputes a borrower has not been able to resolve through the normal channels. The ombudsman’s office is a neutral, informal and confidential resource to help you resolve a dispute with your federal student loans but should be used only as a last resort. If you have an issue that you have been unable to resolve through your school or loan servicer, you may contact the federal student loan ombudsman at:

US Department of Education
FSA Ombudsman Group
PO Box 1843
Monticello, KY  42633
Phone:  877-557-2575
Fax:  606-396-4821
https://studentaid.gov/feedback-ombudsman/disputes/prepare

SUBSIDIZED DIRECT LOAN
This loan is available to students who demonstrate financial need, which is determined using a federal formula. No interest is charged on subsidized Direct Loans while the student is in school at least half time. The maximum annual (yearly) loan amounts per grade level in the subsidized Direct Loan program are as follows:

<table>
<thead>
<tr>
<th>Grade level</th>
<th>Maximum Annual Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$3,500.</td>
</tr>
<tr>
<td>2</td>
<td>$4,500.</td>
</tr>
</tbody>
</table>

There is a maximum loan amount you can borrow in the student loan programs. Currently, the maximum aggregate (lifetime) subsidized loan limit is $23,000. Federal law limits a first-time borrower’s eligibility for Direct Subsidized loans to a period not to exceed 150% of the length of the borrower’s educational program. This law pertains only to students who did not have an outstanding balance in the Federal Direct loan programs on July 1, 2013. In general, this means a student working on a two-year associate degree may receive subsidized Federal Direct loan funds for a maximum of 6 full-time equivalent semesters.

NOTE: Students who are eligible to borrow under the Subsidized Direct Loan program must accept this loan before an Unsubsidized Direct Loan, Direct PLUS Loan, or private loan will be processed.

UNSUBSIDIZED DIRECT LOAN
Unsubsidized Federal Direct Loan Eligibility for this loan is not based on financial need but is limited by the student’s cost of attendance and annual/aggregate loan limits. The student is responsible for paying all interest that accrues on this loan during the in-school period, during the six-month grace period, and during periods of repayment or deferment. The interest may either be paid periodically or may be capitalized and added to the principal amount.

The maximum annual (yearly) loan amounts for the unsubsidized Direct Loan programs are shown below, based on dependency status:

<table>
<thead>
<tr>
<th>Grade level</th>
<th>Maximum Annual Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$5,500. minus Subsidized Direct Loan amount</td>
</tr>
<tr>
<td>2</td>
<td>$6,500. minus Subsidized Direct Loan amount</td>
</tr>
</tbody>
</table>

The maximum aggregate (lifetime) loan a dependent student may borrow as an undergraduate is $31,000. (combination of subsidized and unsubsidized Direct Loans).

INDEPENDENT STUDENTS:

<table>
<thead>
<tr>
<th>Grade level</th>
<th>Maximum Annual Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$9,500. minus Subsidized Direct Loan amount</td>
</tr>
<tr>
<td>2</td>
<td>$10,500. minus Subsidized Direct Loan amount</td>
</tr>
</tbody>
</table>

The maximum Aggregate (lifetime) amount an independent student may borrow (subsidized and unsubsidized Direct Loans combined) is $57,500.

FEDERAL DIRECT PLUS (PARENT) LOAN
PLUS loans are federal loans borrowed by parents of dependent students to help pay the student’s educational expenses. A credit check will be performed, and the applicant (Parent) must not have an adverse credit history. The maximum amount an applicant may borrow is equal to the student’s cost of attendance minus any other aid the student will receive. Unless a deferment is requested, Direct PLUS loan repayment begins 60 days after the full amount of the loan has been disbursed. If a parent borrower is unable to secure a PLUS loan, the undergraduate dependent student may be eligible for additional unsubsidized loans.
ALTERNATIVE (PRIVATE) LOANS
Alternative or Private loans are student loan programs offered through private lending institutions. These programs are commonly used by students in Aviation and other high-cost programs. Students in other majors should consider alternative loans as a last resort, after other funding options have been exhausted. Borrowing should be limited to necessary school-related expenses. Information on private loan programs is available on our website at https://www.rctc.edu/financialaid/loans/alternative-loans/.

BUDGETING
As a college student you develop lifelong skills to help manage your money. Money management and good budgeting skills are needed no matter how much (or little) you have. It is never too early to start learning about money and budgets.

The GPS Finance Plan at www.gpslifeplan.org/finance/ contains valuable tips and information for managing your finances, including these areas:

- Setting financial goals
- Creating a budget
- Financing your education
- Understanding credit
- Managing debt
- Understanding identity theft
- Saving for your future

For additional details, budget calculators, sample plans and more visit the GPS LifePlan website at www.gpslifeplan.org/finance/

Let us know if you have questions.
We are here to help!

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1-800-247-1296 Ext. 7271
financialaid@rctc.edu
Visit us online at www.rctc.edu/financialaid