



PROVIDENCE COLLEGE
OFFICE OF FINANCIAL AID
2007-2008 AWARD INFORMATION

HARKINS HALL 215
549 RIVER AVENUE
PROVIDENCE, RI 02918
(P) 401-865-2286
(F) 401-865-1186
(E) FINAID@PROVIDENCE.EDU

Congratulations on your admission to the Class of 2011 at Providence College! This brochure explains the enclosed Financial Aid Notice including the types of financial aid available to you and your family as well as some office procedures. We strongly encourage you to read the information and save this document for future reference. If you have any questions or concerns, please do not hesitate to contact our office!

~ FAMILY CONTRIBUTION (FC) ~

In determining aid packages for freshmen, Providence College distributes financial assistance based on a number of factors, including federal policy, institutional policy and the availability of resources.

Providence College uses Federal Methodology (FM) required by the Higher Education Act (1965), as amended, to determine a student's eligibility for all federal financial aid programs. Using the information provided on the Free Application for Federal Student Aid (FAFSA) allows the college to distribute federal financial aid to eligible students in accordance with federal guidelines.

For institutional need based aid, the college subscribes to the Institutional Methodology (IM); a more comprehensive analysis of a family's ability to contribute. The information provided on the College Scholarship Service (CSS) Profile application allows the college to utilize a more systematic and objective measurement of a family's financial situation to determine the amount of financial assistance a family truly needs in order to successfully finance their student's education. Among the most common factors that are considered for the determination of the family contribution using IM are the inclusion of home equity and family owned business as an asset, the consideration of business and real estate losses, and the exclusion in number in college for household members in graduate school.

Using both methodologies, the Office of Financial Aid constructs award packages consisting of work, loan, grant and scholarship. Since resources are limited, and in order to give some aid to the maximum number of individuals who qualify, your demonstrated need may not be met in full and not all of the previously mentioned types of assistance will appear on your enclosed Financial Aid Notice. Further, all awards are conditional and subject to verification of your financial aid application. If the financial information originally provided on your applications was based on estimated data or was incorrect, adjustments may be made to your file, which could result in a reevaluation of aid after your deposit is made.

Parental Contribution

Since the primary responsibility for the education of a student belongs to the individual and his or her parents, it is presumed that the student and the family will make the maximum effort to provide for the expenses of an undergraduate education. Should parents discontinue their support for reasons other than ability to pay, Providence College cannot assume parental responsibility for the student. Financial aid from the college or other sources should always be considered a supplement and not a substitute for parental contributions.

~ SOURCES OF FINANCIAL ASSISTANCE ~

Need-Based Grants and Scholarships

All institutional need-based grant monies are awarded to undergraduate students on the basis of financial need. Grants are renewed providing the student is making satisfactory progress toward the completion of a degree and the student's need has not diminished in the following year. Some examples of need-based institutional funding would be Providence College Grants, St. Joseph Scholarships and St. Martin DePorres Scholarships.

Merit-Based Scholarships

Merit awards given to undergraduate students are based upon individual academic achievement prior to coming to Providence College. Awards are determined by the Office of Admission and are renewable provided the student maintains the required Grade Point Average (GPA) as outlined in their scholarship contract. Some examples of merit-based institutional funding are the St. Dominic, St. Thomas Aquinas and St. Catherine of Siena Scholarships.

Endowed/Donor Scholarships

Scholarship recipients for Endowed/Donor Scholarships are selected and distributed by the Office of Financial Aid. The role of the endowed/donor scholarship funds is a vital one, providing an important enhancement to the financial aid programs at Providence College. While a student may be selected as a recipient for an endowed/donor scholarship, the funds will be used to replace and not supplement the original grant awarded. No separate application is necessary in order to be considered for these special funds. All eligible students will be considered for scholarships and will be notified by the Office of Financial Aid starting in the summer and continuing throughout the academic year.

Providence College Family Grants

Family Grants are available when two or more immediate family members attend the College at the same time in the undergraduate program. The tuition of the younger student(s) is reduced by \$1,000. If you feel you are eligible for this grant and it is not reflected on your award, please contact our office. The Family Grant is not applicable when the younger family member is already receiving institutional money covering tuition in full.

Federal Pell Grants, Academic Competitive Grant (ACG) and Supplemental Educational Opportunity Grant (SEOG)

Eligibility for the Pell, SEOG and ACG grants are based on the information provided on the FAFSA. Eligibility for the Federal Pell Grant is based on your Family Contribution (FC) as determined by the FAFSA. The amount of this award will vary based on your final enrollment status (i.e. full-time or part-time). In addition, the ACG is available for Pell eligible, U.S. Citizens who complete a rigorous program of study as defined by their state.

Specific State Scholarships

Where possible, Providence College will estimate your local state scholarship, if applicable, based upon information on your FAFSA. You will receive formal notification from your state agency. Follow your state's instructions as terms and application deadlines for each state vary.

Outside Scholarships

Your Financial Aid Notice was prepared without any information regarding outside scholarships you may receive from other sources (your parent's employer, your high school, etc.). When you receive an outside scholarship, our office is required to re-evaluate your financial aid package and account for the additional resource. Keep in mind that federal regulations stipulate that an outside scholarship cannot be used to reduce your family contribution. The receipt of outside assistance may require an adjustment to the original aid offer when the additional assistance provides the student with total funds in excess of calculated federal need or eligibility. When it is necessary to adjust an aid offer, reductions will be applied first to federal student loans or federal work study before reducing institutional grant assistance.

Federal Work Study

Federal Work Study (FWS) is a unique component available in the federal student aid program that affords students the opportunity to earn funds throughout the academic year to support some of their educationally related expenses. Those who have been awarded FWS as part of their package are responsible for securing their own employment opportunity. Additional information regarding student employment, including job listings, will be provided to only Freshman FWS recipient's mid-August. Once a student receives the available job listings, they are free to begin contacting departments. It is important to remember that FWS funds are not credited to the student account nor does it guarantee a student a job. Students are paid, bi-weekly, according to the hours worked and may earn up to the award amount listed on their Financial Aid Notice. Since priority for employment is given to those awarded FWS, students who were not awarded FWS will have the opportunity to secure employment in the beginning of October.

William D. Ford Federal Direct Loan Program

Commonly referred to as the Direct Loan program, the U.S. Department of Education has created this program specifically for students who are attending postsecondary institutions. Providence College is responsible for determining eligibility based on the results of your FAFSA and current federal regulations. In addition, the college also collects and processes all paperwork on the government's behalf for this program.

These loans are taken out in the student's name and there is no credit check required to qualify for this program. All recipients of the Federal Direct Loan program must complete a Master Promissory Note and Entrance Counseling before the loan can be disbursed. Exit Counseling must be completed before graduation or termination of enrollment. Loan funds will be credited to your bill each semester minus the 3% origination fee. Subsidized Direct Loans are need-based and do not accrue interest while the student is enrolled at least half-time. Interest will accrue for students borrowing unsubsidized Direct Loans which can be paid on a quarterly basis while the student is in school or opt to have the interest capitalize (added to the principle) and payable when they graduate or drop below half-time. More information will be sent to you at a later date by Providence College's Student Loan Office.

For borrowers who take out a loan beginning with the 2007-2008 academic year, this loan will have a fixed interest rate of 6.8%. Repayment begins 6 months after a student graduates or ceases attending school at least half-time. There are a variety of repayment options available and information will be provided to you regarding these choices as you approach graduation or are no longer enrolled at least half-time. The annual borrowing limits for dependent undergraduate students in 2007-2008 are as follows:

Freshman	\$3,500
Sophomore	\$4,500
Junior	\$5,500
Senior	\$5,500

Federal Perkins Loan Program

A Perkins Loan is awarded to undergraduate students with exceptional financial need. This is a campus based loan program, with the school acting as the lender using a limited pool of funds provided by the federal government. Essentially, it is a subsidized loan with the interest being paid by the federal government. There are no origination fees and the interest rate is fixed at 5%.

~ VERIFICATION ~

We have used your family's estimated income information as a basis for determining this initial award for the 2007-2008 academic year. Since early evaluation information is sometimes inaccurate we reserve the right to amend this early evaluation based on new and/or changed information regarding your family income, assets, household size, and number in college.

In order to ensure that financial aid funds are distributed on an equitable basis, and to meet U. S. Department of Education requirements, a number of student applicants are required to complete a process called "verification." Students selected to complete the verification process are required to submit documentation of the information initially provided on the student's FAFSA. Documentation includes, but is not limited to: signed copies of the student and parent final 2006 IRS 1040 forms, (including all schedules and W2 forms), documentation of untaxed income and statements which confirm the number of family members receiving parental support and number of family members enrolled in college. Students who must complete the verification process should read requests from our office for verification very carefully and respond in a timely manner. Failure to comply with verification requirements can result in loss of all financial aid.

In addition, most freshmen who were not selected for verification but who commit to Providence College will be required to submit similar tax documentation as those students selected by the U.S. Department of Education. After the May 1st deposit deadline you will receive a formal letter outlining the specific documentation required.

~ CHANGE IN CIRCUMSTANCES ~

If your family has experienced a change in circumstances (i.e. job loss, unexpected medical expenses) since you completed your applications for aid, we are willing to revisit your original need calculations and aid package taking the change in circumstances into consideration. A separate 'Change in Circumstances' form is available at www.providence.edu. From the homepage, click on Admission, Undergraduate Financial Aid and then Forms. This form will help guide you how to best communicate a change in your situation to us as well as what documentation is needed. You must provide a final copy of your 2006 Federal tax return and W2 forms before we will review your appeal. Since resources are limited, we recommend you bring any change in circumstances to our attention at the earliest possible date. It is likely that we will not respond to your request for additional funding until after the first week of May so you will need to make a decision about whether to attend Providence College based on your most recent Financial Aid Notice.

~ ANNUAL RENEWAL OF AID ~

Students must reapply for need-based financial assistance each year by renewing only the FAFSA. All need-based financial assistance at Providence College is renewable for all four undergraduate years provided a student remains in good academic standing and continues to demonstrate similar financial need each year. Depending upon your calculated need in subsequent years, your aid award may vary. The principal factors used in computing your need are the same every year. These factors include such things as family income, assets, household size and number of family members in college. The award that you receive for your first year usually provides a rough indication of the level and type of aid that you may expect to receive in subsequent years. Renewal information will be distributed from the Office of Financial Aid each December. The deadline for completing a renewal FAFSA in

subsequent years is April 15th. Funding will be subject to availability for those who do not comply with the published renewal deadline regardless of current need level or prior year award.

~ ADDITIONAL FINANCING OPTIONS ~

If the financial assistance provided on your Financial Aid Notice does not meet your needs there are additional options available to you and your family to assist in financing your education. The following are some commonly used options.

Monthly Payment Plan

Providence College offers parents the opportunity to pay tuition, fees and room and board in monthly installments. The Tuition Management System (TMS) option is available in place of the standard full payment required prior to the beginning of each semester. For additional information on how to enroll in this plan please contact the Bursar's Office at 401-865-2284.

Federal Direct Parent Loan for Undergraduate Students (PLUS)

The PLUS loan is a federal government loan borrowed through the college in the parents' name. The loan application process, the distribution of master promissory note, and the disbursement of funds are all handled by the college. Parents are eligible to borrow up to the cost of attendance minus all other sources of financial aid. There is a fixed interest rate is 7.9% for a parent borrowing in 2007-2008. A 4% origination fee is deducted from each disbursement and repayment begins within sixty days after the second disbursement is applied to the student's billing statement.

Home Equity Loans

Home Equity Loans are another attractive financing opportunity because of the tax benefits associated with the interest payments. If, however, this is not an option for your family, there are still a variety of alternative options available.

Alternative Student Loans

Alternative student loans are taken out in the student's name and mainly based on a co-signer's credit. They act like traditional student loans since the principle is not due until the student graduates or drops below half-time. However, on most alternative loans the interest accrues while the student is in school and interest can be paid on a quarterly basis or deferred until they graduate or drop below half-time. Students are eligible to borrow up to the cost of attendance minus any financial aid received. There are many alternative student loan options available and each program may have different benefits, incentives and interest rates. It is up to you and your family to secure a loan that meets your personal financial needs and goals. For additional information, please call our office or from our homepage www.providence.edu click on Admission, Undergraduate Financial Aid then Private Alternative Loans!

~ COST OF ATTENDANCE ~

The Cost of Attendance that is used to determine your financial aid award eligibility is comprised of both direct and indirect expenses. Direct expenses are those charges that will show up on a student account statement such as tuition, fees, room and board while indirect expenses include an allowance for books and monthly personal expenses that will not appear on your bill. The amounts we use to determine indirect expenses are estimates and are based on the amounts students typically spend in a given academic year.

Financial aid eligibility is determined by subtracting the calculated family contribution (FC), which is derived from the needs analysis results from the aforementioned applications, from the cost of attending (COA) Providence College.

$$\begin{array}{r} \text{COA} \\ - \text{FC} \\ \hline = \text{Financial Aid eligibility} \end{array}$$

We have prepared the enclosed Budget Worksheet /Charges and Resource Information to assist you in estimating the amount you could be expected to pay toward your direct costs either out of pocket or through one of the various programs mentioned in this brochure. The Bursar's Office requires payment of all direct expenses on or before August 15th for the fall semester and December 15th for the spring semester unless you are on an established payment plan.

All information is accurate at the time of printing and subject to change based on changes to institutional policy and/or federal regulations.