

# Understanding Your Financial Aid Award



HOBART AND WILLIAM SMITH  
COLLEGES

2012 – 2013

## Office of Financial Aid

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On behalf of the Financial Aid Staff, congratulations on your recent acceptance to Hobart and William Smith Colleges! It is my great pleasure to inform you that you have been awarded financial aid for the 2012-2013 academic year and your award notification is enclosed. Please take a few moments to go through this brochure in order to better understand each resource included in your aid package. If you have questions or would like to discuss your financial aid package, please contact our office.

We look forward to working with you and your family today and in the coming years at Hobart and William Smith Colleges.

Wishing you all the best,  
Beth Nepa

## General Information About Your Award

Financial aid is defined as any monetary support other than family resources provided to students for purposes of meeting educational costs. "Scholarship" and "grant" aid are considered gifts and therefore do not need to be repaid. Loans do need to be repaid and should be considered serious commitments. Work-study is a way for students to earn money in order to contribute to their college costs. Descriptions of the primary sources of college, state and federal aid follow. All students who submit the required paperwork are considered for all types of aid, and financial aid packages are made according to each student's eligibility for each program.

### Institutional Aid

Hobart and William Smith scholarships and grants are automatically credited to students' accounts each semester upon completion of the financial aid application process.

### State Aid

#### New York State

Residents of New York State may be eligible for the Tuition Assistance Program (TAP). This award currently ranges from \$500 to \$5,000, depending upon the student's level of study and the family's New York State net taxable income. Qualifying income is determined by state mandate. Estimated awards are included in aid packages for students who appear to be eligible. The official award amount is determined by New York State upon completion of the TAP application and passage of the NYS budget. Students should visit [www.HESC.org](http://www.HESC.org) for information on other state awards for which they may be eligible.

#### Other States' Grant Programs

States other than New York may also provide grants for student residents of their respective states who engage in out-of-state study. Vermont, Rhode Island and the District of Columbia, for example, offer assistance that can be used at Hobart and William Smith. Students should contact their state agencies for more information.

## Federal Aid

### Federal Pell Grants

These federal grants are available to students who have demonstrated the highest calculated need. This award currently ranges from \$555 to \$5,550 for full-time study during the 2011-2012 academic year.

### Federal Supplemental Educational Opportunity Grants (FSEOG)

Although not guaranteed, these federal grants are awarded to Federal Pell Grant recipients who have demonstrated the highest calculated need.

### Federal Perkins Loan

These funds, allocated to the Colleges by the federal government, are low interest (5%) loans made to students who demonstrate significant financial need. Students sign promissory notes with the Office of Financial Aid; credits are applied directly to the bill. Interest is not assessed until repayment begins nine months after the student completes or withdraws from his or her educational program.

### Direct Loan Programs (subsidized and unsubsidized)

These loans are low-interest, long-term loans available for students' educational expenses. Both subsidized and unsubsidized loans have the same terms and conditions except unsubsidized loan borrowers are also responsible for interest that accrues during all in-school periods. Review the following chart for the Federal Direct Loan limits.

	Dependent Students	Independent Students	Dependent Students with Parent Plus Loan Denied
Academic Year Annual Limits	Maximum Federal (Sub & Unsub)	Maximum Federal (Sub & Unsub)	Maximum Federal (Sub & Unsub)
Year 1	\$5,500	\$9,500	\$9,500
Year 2	\$6,500	\$10,500	\$10,500
Years 3, 4 & 5	\$7,500	\$12,500	\$12,500

#### Interest Rate

Beginning July 1, 2012, the interest rate is a fixed rate of 6.8% for unsubsidized and subsidized loans for the 2012-13 academic year.

#### Processing Fee

Default fee of 1% paid to the U.S. Department of Education.

In order for you to apply for a Direct Loan, you must complete both the Direct Loan Master Promissory Note (MPN) and Direct Loan Entrance Counseling online.

Your loan funds will be electronically transmitted to the Colleges at the beginning of each semester. If you wish to decline or reduce your Federal Direct Loan, you must notify the Office of Financial Aid in writing or via e-mail at [finaid@hws.edu](mailto:finaid@hws.edu).

### Federal Work-Study

This award, also known as campus employment, provides employment opportunities in various campus offices. Students receive a bi-weekly paycheck based on the number of hours worked and the position salary. The award of work-study, both federal and HWS, is not a guarantee of employment and is not deducted from your bill. Listings of available positions are posted online at the start of each semester at [www.hws.edu/offices/hr/employment/index\\_students.aspx](http://www.hws.edu/offices/hr/employment/index_students.aspx). Students with Federal Work-Study eligibility have priority during the first two weeks of classes to secure a position. All other students, including those with HWS Work-Study, can pursue employment after the first two weeks of classes.

## Other Aid Resources

### Direct Parent PLUS Loan

Parents can borrow this loan for their child's college education. A parent can request up to the cost of attendance minus any other financial aid the student receives. The interest rate is fixed at 7.9%, with a 3.4% fee deducted from each disbursement. The standard repayment is 10 years, **but you can postpone repayment on your Parent PLUS Loan until six months after your dependent leaves school or drops below half-time enrollment.** We recommend that you apply for the entire year with half disbursing for the fall term and half for the spring. For more information, visit our loan center at [www.hws.edu/admissions/loancenter](http://www.hws.edu/admissions/loancenter). If you are denied a PLUS Loan, your student will automatically be eligible for up to \$4,000 additional unsubsidized Federal Direct Loan funds upon your request. Contact the Office of Financial Aid to discuss this option.

### Private Alternative Loan

These loans are private, supplemental long-term loans available to assist students paying for a college education. The interest rates are variable and based on the Prime or the Libor rates plus an index resulting from the borrower and/or co-borrower's credit rating. Private alternative loans should be used to supplement your financial aid award only after all federal loan options have been utilized. More information is available on our website at [www.hws.edu/admissions/loancenter](http://www.hws.edu/admissions/loancenter).

Information about loan programs is available on our loan center website at:  
[www.hws.edu/admissions/loancenter](http://www.hws.edu/admissions/loancenter)

### **Outside Scholarships/Awards**

We encourage all students to actively seek outside scholarships to supplement their financial aid award. Many scholarships are available, however it takes commitment and determination to both locate relevant opportunities and complete their application processes. You are required to report any outside scholarship awards to the Office of Financial Aid. Federal regulations require these awards be used in determining eligibility for federally funded financial assistance. The total amount of your financial aid awards, when added to your outside scholarships, cannot exceed your total cost of attendance for any given academic

year. Situations where total aid received exceeds a student's cost of attendance are rare and are dealt with on a case-by-case basis. Reductions relating to this situation are made first to the self-help portion of a student's package (loan and work-study) and then, if necessary, to the grant and/or scholarship portion. For more information and links to free scholarship search sites visit our website at [www.hws.edu/admissions/loancenter/outside.aspx](http://www.hws.edu/admissions/loancenter/outside.aspx).

## **Common Questions About Financial Aid**

### **When do I have to pay my portion of the cost?**

In July, the Office of Student Accounts will send your first bill. Payment for the fall semester will be due in early August, and your bill will state the exact date. This date is extremely important, as you must have paid the amount you owe the Colleges before you can register for classes. The spring semester bill will be mailed in early December with a January due date.

### **Does Hobart and William Smith have payment plans?**

Yes, and the Office of Student Accounts will mail information to you regarding these payment options. We offer an interest-free monthly payment plan beginning in June. If you have questions, contact the Office of Student Accounts directly at 315-781-3343.

### **How do I receive my financial aid?**

Your aid will be credited to your account at the beginning of each semester. For awards including Direct Loan, TAP and Pell, our office must have received the necessary documentation required by New York State and the federal government before we can credit these awards to your account. The deadline for submitting required documentation is June 1.

### **What is an external grant on my award letter?**

These funds are not awarded by the federal or state government or the institution, but are required to be included as a resource in the financial aid package according to federal regulation. Examples include: tuition benefits from parent's employer and grants/scholarships provided by private organizations.

### **What if I feel I will not have time to work?**

National statistics show that a student who works no more than 20 hours per week while in school does better academically. However, some students, especially first-year students and athletes, feel that they need time to adjust to college life, new studies and other commitments. It may be possible to obtain additional loan funds to replace your work-study. However, a Hobart and William Smith Grant cannot be increased to cover this award.

### **Will I be placed in a work-study position?**

No. Students are not guaranteed employment and must be proactive in applying for open positions. Openings are posted online at [www.hws.edu/offices/finaid/jobs.aspx](http://www.hws.edu/offices/finaid/jobs.aspx). Students with federal work-study eligibility are given hiring priority the first two weeks of each semester.

### **What is the difference between a Subsidized and Unsubsidized Federal Direct Loan?**

A subsidized loan is awarded on the basis of financial need. The federal government pays the interest on the loan during the time you are enrolled in college and during the period in which your loan is deferred. An unsubsidized loan is not awarded on the basis of financial need, and you are charged interest from the time the loan is disbursed until it is paid in full.

### **Do I have to apply for aid every year?**

Yes. It is necessary to reapply for aid each year since your eligibility may change depending upon family circumstances and changes in the cost of attendance. In December, the Office of Financial Aid will send you instructions via e-mail for renewing aid for the next academic year. Please pay close attention to the deadline; **late applications are subject to HWS grant reductions.**

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**Will my financial aid remain the same in future years?**

As long as your family's financial situation remains essentially the same (income, number of household family members, number enrolled in college), you may expect your Hobart and William Smith Grant to remain at the same level. It is expected, however, that the amount of loan in students' aid packages will increase each year. Students who continue to meet satisfactory academic progress, demonstrate financial aid eligibility, and meet filing deadlines will continue to receive assistance.

**Will I receive more financial aid if I have good grades or am involved on campus?**

No. Merit-based scholarships (with the exception of the Art's Scholarship), are awarded to students only when they enter HWS and are not increased later. Need-based assistance is awarded based on a family's financial situation which is reevaluated each year.

**Is it possible to appeal the financial aid award?**

If your circumstances have changed, it is possible to appeal your award in writing. Please contact the Office of Financial Aid for more information on our appeals process.

**What happens to my aid if I have to withdraw from school?**

A student whose enrollment terminates prior to the end of a semester may be eligible to receive a refund of a portion of his or her charges. However, if any portion of the charges incurred was paid through student aid programs other than work-study, it may be necessary to apportion part of the refund to these programs. In accordance with federal regulations, the Office of Student Accounts will determine whether a refund is due and will inform you of the result.



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