

## **Federal Pell Grant**

The Federal Pell Grant is based on financial need. This grant is part of the Title IV entitlement of the Higher Education Act of 1965. Since the Federal Pell Grant is an entitlement, it does NOT have to be repaid, if the student completes their program. Maximum amount awarded for a 900 hour program in 2025-2026 is \$7,395. For a 600 hour program, the maximum amount awarded is prorated equalling \$4,930.

An award letter itemizing the student's financial arrangements is given to the students for approval prior to disbursing any funds. Pell grant monies are applied to a student's account through two disbursements as long as the student has maintained satisfactory academic progress. Note: Lorain County JVS defines Satisfactory Progress as a 90% attendance rate and a 70% academic average. Any student who is dismissed due to not meeting these requirements or who withdraws from the program for other reasons may face financial consequences.

Students awarded Title IV who do not complete programs will have their Title IV Awards prorated. This means the total hours a student was scheduled to have completed by date of withdrawal will be divided by the total number of hours in the period of enrollment. This would be the percentage of the Title IV Award earned that would be drawn and applied to the student account. For example, a student completes 225 hours of a 900 hour program; 25% of the total Title IV award would be applied to the student's balance. It is important that students realize that in this situation, they would be responsible for any remaining balance due to the Lorain County JVS Adult Career Center. If a student withdraws after 60% of his/her class hours have been scheduled, he/she has earned 100% of his Title IV funding; however, Post-Withdraw Disbursement federal regulations must be followed at this time.

## **Federal Student Loan Program (William D. Ford Federal Direct Loans)**

These are interest-bearing loans which must be repaid regardless of course completion. These loans usually offer borrowers lower interest rates and have more flexible repayment options than loans from banks or other private sources. A student who wishes to receive a Federal Direct Loan must complete the (FAFSA) and must sign a Master Promissory Note (MPN) — a legally binding agreement to repay the loan. Loan recipients are also required to complete loan entrance and loan exit counseling sessions — both are tools to ensure the student understands his/her obligation to repay the loan. Entrance Counseling must be

completed prior to the student receiving the loan proceeds. Exit Counseling must be completed prior to the final loan disbursement or when a student leaves school. Loan counseling can be completed at [studentloans.gov](http://studentloans.gov). Loans are either subsidized or unsubsidized. Maximum subsidized and unsubsidized amount is \$5,500 (1st year) for dependent students and \$9,500 (1st year) for independent students. Maximum loan amounts are prorated for all programs 600-899 hours.

CAUTION: Students should be sure that they will be capable of assuming the debt that results from borrowing money through a Federal Stafford Loan. Defaulting on a Federal Loan can result in wage garnishment, income tax refunds being withheld, and a poor credit rating.

### **Direct Subsidized Loan**

Based on need, repayment normally begins six months after the student leaves school. The Federal Government pays the interest while the student is in school. Maximum amount is \$3,500 (1st year) for both dependent and independent students.

### **Direct Unsubsidized Loan**

Not need based and repayment normally begins six months after you leave school. Borrower is responsible for interest during entire life of the loan. Maximum amount is \$2,000 (1st year) for dependent student and \$6,000 (1st year) independent student.

### **Interest Rates**

The fixed rates for loans first disbursed on or after 7/1/2025 and before 7/1/2026 are: Subsidized: 6.39% Unsubsidized: 6.39%. Loan origination fee is 1.057%.

### **Maximum Timeframe to Complete**

The maximum timeframe of completion to remain eligible for financial aid is 111.11% of the published length of a program ( $100 / 90\% = 111.11\%$ ). For example, a program published length of 45 weeks must be completed in 50 calendar weeks ( $45 \times 111.11\% = 49.99$ ).

### **Pace of Completion**

All students must successfully complete at least 90% of their cumulative attempted clock hours to stay on pace with the maximum timeframe requirements. Attempted clock hours are the hours a student attends each payment period. Pace of progress is measured by taking the cumulative clock hours successfully completed by the student divided by the number of cumulative clock hours the student attempted through the end of the payment

period or period of enrollment.

**National Student Loan Data System (NSLDS)**

Federal law requires that all student loan records be submitted to NSLDS. The information is accessible by guaranty agencies, lenders, schools, and third party servicers who are authorized users of the data system. Students may access their own records at [www.nsls.ed.gov](http://www.nsls.ed.gov). Under the U.S. Department of Education Regulations that became effective on July 1, 2014, schools are required to report enrollment statuses to NSLDS at least every 60 days. Lorain County JVS Adult Career Center adheres to these regulations by updating or submitting enrollment records and/or statuses at least every 60 days. The Supervisor updates enrollment records and/or statuses via the NSLDSFAP Online Enrollment Reporting website.