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# 2020-2021

## DISBURSEMENT OF FINANCIAL AID

*Mission Statement: To inspire its students by creating and maintaining a student-centered occupational environment which culminates in gainful employment.*



## **DISBURSEMENT OF FINANCIAL AID**

Students receive estimated financial aid award notification via award letter prepared by MBC financial aid office the first academic year 26 weeks for 900 hours and 18 weeks of 600 hours of the second year. Midwest Barber College uses active confirmation on awarding of aid, meaning students sign their award letter before any disbursement is made. Aid funds will be disbursed into 4 payment periods.

- 1st payment period 0-450hr,
- 2nd payment period 451-900hr,
- 3rd payment 901-1200hr,
- 4th payment 120/-1500hr

## **FEDERAL PELL GRANT DISBURSEMENT PROCEDURES:**

When a check is prepared, our financial aid office must check the student's eligibility by:

1. Verifying that the Award Letter is signed and dated.
2. Verifying Enrollment status.
3. Verifying that you meet satisfactory progress conditions; and
4. Verifying that a signed statement of approval from you is in the file if the Federal Pell Grant payments are applied to any charges other than tuition and fees - such as books, supplies, kits, tools, etc.

## **REVISION OF FINANCIAL AID AWARDS**

Once an award letter is signed by the student and the FAA, there may be instances which warrant a change to the original notification.

MBC financial aid administrator may review a student's circumstances, make an adjustment to an award, and reprint a revised award letter for student to sign. This revised award invalidates the original award notice.

- \*The FAO will automatically consider a revision in a student's aid package when the following occurs:
- \*There is conflicting information in the file.
- \*There are changes resulting from verification.
- \*There is a change in availability of funds.
- \*Outside resources not counted in original award.
- \*Error made by FAO.
- \*Revision initiated by request from student.

Students may decline any portion of their award. If a student wants to add an award (outside resources), the award is updated to reflect the appropriate adjustments made. It is the student's responsibility to notify the Financial Aid Office of changes in a student's resources.



## **FORMS TO BE COMPLETED FOR YOUR FILE**

The following forms are completed during the financial aid interview to document that you met the general eligibility requirements for Federal financial aid:

### **CREDIT PELL PAYMENTS TOWARD EXPENSES**

You will sign a statement that you “do” or “do not” authorize the school to credit your Pell Grant payments toward MBC’s charges incurred in addition to the tuition and fees.

These MBC charges include but are not limited to books, supplies, kit, and/or tools to complete your program. In the event you overpay MBC and are not still in attendance, the overpayment shall be returned in accordance with Federal requirements. (See Title IV Credit Balances).

### **FEDERAL SUBSIDIZED STAFFORD LOAN PROGRAM**

Awards are based upon financial need. The maximum amount of subsidized loans a student can receive for the 2020-2021 award year is \$3,500.00 for first year students, \$4,500.00 for second year students and \$5,500.00 for third year students and beyond. Loans have a fixed interest rate with a cap of 8.25% adjusted every July 1. The interest rate for loans first disbursed on or after 7/1/20 is 2.75%.

The federal government establishes student loan interest rates and reserves the right to modify interest rates at any time. Applicants must be enrolled in at least half-time basis in an approved postsecondary institution and in an approved program and must demonstrate financial need. As of July 1, 2013, eligibility for a subsidized loan is limited to 150% of the length of the student’s academic program. Once a borrower has reached the 150% limitation, student eligibility for an interest subsidy also ends for all outstanding subsidized loans that were disbursed on or after July 1, 2013. At that point, interest on those previously borrowers’ loans would begin to accrue and would be payable in the same manner as interest on unsubsidized loans. All students should apply; however, not all students may be eligible.

Qualified students are not required to make payments nor pay interest while enrolled at least half time; the federal government “subsidizes” the interest during this period of enrollment. Interest begins accruing during the grace periods. Repayment of interest charges and principle begin six months after the student leaves school or drops below half time enrollment status. Applicant eligibility is determined by information reported on the

Free Application for Federal Student Aid (FAFSA). Students can complete a FAFSA at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) Subsidized and unsubsidized Federal Direct Stafford Loans that have a first disbursement date on or after 10.1.2019 through 10.1.2020 have a 1.059% origination fee. The origination fee is assessed and automatically deducted by the federal government. Since the origination fee is deducted before the federal government disburses the loan to MBC, the amount credited to the student’s account will be less than the loan amount borrowed. Origination fees are determined by the Department of Education.

*For more information contact: MBC Financial Aid Office.*



## **FEDERAL UNSUBSIDIZED STAFFORD LOAN PROGRAM**

Awards vary. The award may be used in conjunction with the Federal Subsidized Stafford Loan program. The maximum amount for a qualified independent student can receive for the 2020-2021 award year is \$4,000.00 for first year students, \$4,000.00 for second year students and \$5,000.00 for third year students and beyond. Loans have a fixed interest rate with a cap of 8.25% adjusted every July 1.

The interest rate for loans first disbursed on or after 7/1/20 is 2.75%. The federal government establishes student loan interest rates and reserves the right to modify interest rates at any time. Some students may also qualify for an additional unsubsidized loan of \$2,000.00.

Applicants must be enrolled in at least half-time basis in an approved post-secondary institution and in an approved program. This award is not based upon financial need and is available to students regardless of income.

All students should apply. Students are responsible for the interest from the date of disbursement. Interest payments may be made in installments while in school or allowed to accrue and be added to the principle (capitalized). Repayment begins six months after the student leaves school or drops below half time enrollment status. Students can complete a FAFSA at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) or <https://studentaid.gov/understand-aid/types/loans/subsidized-unsubsidized>

Subsidized and Unsubsidized Federal Direct Stafford Loans that have a first disbursement date on or after 10.1.2019 through 10.1.2020 have a 1.059% origination fee.

The origination fee is assessed and automatically deducted by the federal government. Since the origination fee is deducted before the federal government disburses the loan to MBC, the amount credited to the student's account will be less than the loan amount borrowed. Origination fees are determined by the Department of Education. For more information contact: MBC Financial Aid Office.

## **FEDERAL ADDITIONAL UNSUBSIDIZED STAFFORD LOAN PROGRAM**

Some students may qualify for an additional Unsubsidized loan. Federal Additional Unsubsidized Stafford Loans do accrue interest while the student is enrolled in school and may be paid quarterly or be added to the principle amount of the loan. Repayment of principle begins six months after the student ceases to be enrolled at least half time. The maximum loan amount that a first, second, or third year student and beyond may borrow is \$2,000.00. The interest rate for loans first disbursed on or after 7.1.2020 is 2.75%. The federal government establishes student loan interest rates and reserves the right to modify interest rates at any time. Subsidized and Unsubsidized Federal Direct Stafford Loans that have a first disbursement date on or after 10.1.2019 through 10.1.2020 have a 1.059% origination fee. The origination fee is assessed and automatically deducted by the federal government. Since the origination fee is deducted before the federal government disburses the loan to MBC, the amount credited to the student's account will be less than the loan amount borrowed. Origination fees are determined by the Department of Education.

*For more information contact: MBC Financial Aid Office.*

