

**MTSU Financial Aid News**  
**February, 2012**

- **Verification of FAFSA Information:**

- ✓ When completing the 2012-13 FAFSA, Tennessee residents were encouraged to initially file the FAFSA in January 2012 and estimate 2011 federal tax return information to be considered for the Tennessee Student Assistance Award (state grant) given that funding is limited. Students who initially estimate income information should file a 2012-13 FAFSA correction once the 2011 federal tax return is filed.
- ✓ The federal FAFSA processing center determines if a student is selected for a process called verification. Additionally, MTSU has the authority to otherwise select students for verification. If selected, the student is required to minimally submit a verification worksheet and designated 2011 federal tax returns and W-2 information to the MTSU Financial Aid Office. Prior to the 2012-13 award year, students / parents were allowed to provide a signed copy of their prior year federal tax return. Based on changes to federal regulations, students selected for verification will be required to request a tax transcript from the IRS. We are no longer allowed to accept signed copies of individual federal tax returns.

If, when filing the initial FAFSA or later making a correction, the student / parent authorizes 2011 IRS information to be imported into the FAFSA application, this will preclude the need to later request a tax transcript from the IRS if the student is selected for verification and “if” the student / parent does not make changes to the imported IRS data loaded into the FAFSA application. However, there are some situations that preclude the student / parent from importing IRS information into the FAFSA such as “married filing separately”, “recently separated though a joint tax return was filed”, “individuals who filed a foreign tax return”, etc.

Note: If you electronically complete your 2011 federal tax return, it is approximately two weeks before such data can be imported into your FAFSA application. If you complete a hard copy 2011 federal tax return, it is approximately 4 to 6 weeks before such data can be imported into your FAFSA application. Student / parents are encouraged to utilize the IRS FAFSA import functionality.

- **Federal Pell Grant:**

- ✓ Effective with the 2011-12 award year, the federal government is no longer funding year-round Federal Pell Grant. During a fall/spring/summer period, eligible students can receive the equivalent of two full-time semesters of Federal Pell Grant. If a student is enrolled full-time fall and spring semesters, the student has zero remaining Federal Pell Grant eligibility for the summer term.
- ✓ Effective with the 2012-13 award year, students will be monitored by the federal government as related to the maximum number of semesters that they can receive the Federal Pell Grant. Inclusive of all post-secondary institutions, eligible students can receive the Federal Pell Grant until a baccalaureate degree is earned or the equivalent of twelve (12) full-time semesters, whichever comes first. Refer to the following link for additional information: [http://www.mtsu.edu/financialaid/grants\\_finaid.shtml](http://www.mtsu.edu/financialaid/grants_finaid.shtml)

- **Tennessee Education Lottery Scholarship (TELS) Program:**

- ✓ Effective with the summer term of 2012, TELS eligible students who first received a TELS award on or after the Fall Semester of 2009 are eligible to receive a TELS award during the summer term, even if the student has already received a full-time award during the prior fall/spring semesters of the same award year.

- ✓ TELS Program recipients can receive a TELS award until the earliest of five years from their initial enrollment in post-secondary institution or until a baccalaureate degree is earned. Additionally, students who first received a TELS award on or after the Fall Semester of 2009 become ineligible at the end of the semester that they have triggered the 120 attempted hour limitation unless otherwise restricted by the first two limitations. Students may also lose TELS eligibility based on other requirements stipulated in TELS regulations. Refer to the following link for additional information regarding general requirements: [http://www.mtsu.edu/scholarships/telsprogram\\_scholarships.shtml](http://www.mtsu.edu/scholarships/telsprogram_scholarships.shtml)

- **Federal Direct Subsidized and Unsubsidized Stafford Loans:**

- ✓ Effective with Federal Direct Loans originated on or after July 1, 2012, students will no longer receive the up-front federal rebate of .5 percent. The origination fee will be 1 percent.
- ✓ Effective with the 2012-13 award year, new Federal Direct Subsidized Stafford Loans received by undergraduate students will not qualify for interest subsidy during the six-month grace period provided to students when they are no longer enrolled at least a half-time status.
- ✓ For Federal Direct Subsidized Stafford Loans disbursed on or after July 1, 2012, the interest rate will change from 3.4 to 6.8 percent unless congress intervenes.
- ✓ Effective with the 2012-13 award year, resulting from federal regulatory changes, graduate students will no longer qualify for the Federal Direct Subsidized Stafford Loan Program. Graduate students will continue to qualify for up to \$20,500 per award year through the Federal Direct Unsubsidized Stafford Loan Program assuming that other eligibility requirements are met.
- ✓ Students who have received federal student loans (Subsidized/Unsubsidized Stafford Loans, Perkins) that are maintained through multiple servicers have the opportunity to consolidate their loans into one payment through a single federal student loan servicer. If the student determines that this is in his/her best interest, this process is normally completed during the grace period. However, the federal government will begin contacting select student loan borrowers who have at least one Direct Loan or Department held Federal Family Education Loan (FFEL) and at least one commercially-held FFEL (subsidized, unsubsidized, PLUS, and consolidation) loan being serviced by a lender not associated with the Department. The U.S. Department of Education will offer Special Direct Consolidation Loans to eligible borrowers with loans in good standing from January 17 – June 30, 2012. If a person qualifies for this short-term consolidation, the borrower will receive notice from one of four federal loan servicers regarding this opportunity and online application instructions. The servicers involved in this special consolidation include FedLoan Servicing (PHEAA), Great Lakes Educational Loan Services, Inc. , Nelnet, and Sallie Mae. Communication will take place via the U.S. Postal Service and/or email. Please be aware that if you are notified by email, the federal loan servicers have email addresses and web site URLs that use the “.com” or “.org” domain (as opposed to the “.gov” domain). Once a borrower has been contacted by one of the four servicers, that servicer will become the primary point of contact for questions and/or information regarding the special consolidation process.