



HEARTLAND  
COMMUNITY COLLEGE

**Heartland Community College**  
**2011-2012**  
**Terms and Conditions of Financial Aid Awards**

**Heartland Community College**  
**Office of Financial Aid**  
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## **It is very important that you review this information carefully.**

This document explains the terms and conditions of your Financial Aid Award as well as your rights and responsibilities as an aid recipient. You are responsible for understanding the terms and conditions stipulated. This information is the most accurate available at the time of publication. It is subject to change at any time without notice due to the nature of federal, state and institutional guidelines affecting aid.

Be aware that any intentionally false statements or misrepresentations you make (written or verbal) in any phase of the financial aid process may eliminate you from future consideration for any assistance from Heartland Community College, and may subject you to a fine, or imprisonment, or both.

**ALL FUNDS ARE SUBJECT TO REDUCTION OR CANCELLATION AT ANY TIME DURING THE ACADEMIC YEAR.** In the unlikely event that a change in your financial aid awards is necessary, we will notify you at the earliest possible date.

### **Confidentiality**

Heartland Community College complies with federal and state privacy laws and regulations. The data in your financial aid file may only be released to authorized representatives of federal and state agencies, involved lenders, and university agents needing the information for awarding and advising. No one else may review your file without your written consent, a subpoena or a court order. If you want to give information to someone else, such as a parent or spouse, a scholarship donor or an outside rental agency, etc., you must provide written authorization. Release of information forms are available in the Heartland Community College Financial Aid Office.

### **General Conditions**

The types of financial aid available come from a variety of sources. Most funds come from the federal government, the State of Illinois, Heartland Community College or private donors. Each aid program has specific eligibility requirements. In general, you must meet the following requirements to receive financial assistance through those aid programs administered.

You must:

- demonstrate financial need as determined by the financial aid office,
- be a citizen or a permanent resident of the United States,
- be admitted to Heartland Community College in an eligible program leading to an approved degree or certificate,
- maintain satisfactory academic progress,
- be enrolled on at least a half-time basis (six semester hours) for all programs except Federal Pell Grant and ISAC MAP,

- not be in default on any educational loan, show an unwillingness to repay an educational loan, or owe any refund on a grant or loan,
- meet the eligibility requirements of each of the aid programs accepted,
- be registered with the Selective Service if you are a male student who is at least 18 years of age,
- have no convictions for the sale or possession of illegal drugs (depending on the date of the conviction, the student may or may not be eligible for federal student aid),
- not receive financial aid at more than one school for the same period of time, and
- not transfer financial aid offered by Heartland Community College to any other school and aid offered by any other school cannot be transferred to Heartland Community College.

**Enrollment:** All federal and state financial aid awards, unless noted otherwise, are awarded based on full-time enrollment (12 credit hours). If you are *not* enrolled full time, federal and state grant aid and student loans will be reduced to reflect actual enrollment verified at the time of disbursement.

**Repeat Credit Hours:** Financial Aid will cover the cost of tuition and fees for a maximum of one repeat attempt of any given course, regardless if financial aid paid for the first attempt of the course. Tuition and fee costs for repeat attempts of two or more must be paid for by the student.

**Developmental Courses:** Financial Aid will cover the cost of tuition and fees for a maximum of 30 hours of developmental course work. Developmental is defined as any sub 100 level course.

**Disbursement of Awards:** Disbursement of federal and state grants, scholarships and student loans are usually divided equally between fall and spring semester.

Awards are applied to your Heartland student account after the term census date and are adjusted to the number of credit hours in which you are enrolled. Financial aid funds are used first to pay any outstanding tuition, fee and bookstore charges. If funds remain after all institutional charges are paid, a refund will be issued to you based on the preference you select (direct deposit or use of the Heartland One card as a debit card) when you activate your Heartland One account. All students must have an activated Heartland One account in order to receive any refunds. Note that student loan funds are not applied to your student account until the 30<sup>th</sup> day after the start of the enrollment period. Grant and scholarship funds awarded by private/outside donors are not applied to your account until the money is received by Heartland Community College.

**Satisfactory Academic Progress:** Students are responsible for meeting satisfactory academic progress standards for financial aid as outlined in the Heartland Community College Catalog and Student Handbook. Students who fail to meet the standards, which are required by the U.S. Department of Education, will be notified of such and will not be eligible to receive financial aid funding in future semesters.

**Withdrawals:** Students who withdraw from all courses or stop attending courses prior to the 60% point in the semester may be required to repay a portion of financial aid funds received.

**Over awards:** For students receiving any federal and/or state financial aid, the total financial aid received from all sources (federal, state, institutional and private) cannot exceed the student's cost of attendance. In the event a student receives aid in excess of the cost of attendance, financial aid will be reduced in the following order: student loans, student employment and then gift aid (scholarships and grants).

## **Your Responsibilities and Rights**

### **You have the responsibility to:**

1. Apply for financial aid annually, prior to April 1<sup>st</sup> preceding the fall semester you will be attending.
2. Check your Heartland email regularly as the Financial Aid Office only communicates with students via Heartland email and through self service in IRIS.
3. Read, understand and retain copies of all information and/or forms that are emailed/sent to you or that you must sign.
4. Submit all forms required to complete the application process.
5. Maintain Satisfactory Academic Progress.

### **You have the right to:**

1. Be advised of what financial aid programs are available and how to apply for them.
2. Be advised of requirements in the case of withdrawal, refunds, and repayment of financial aid.
3. Have all financial aid application information treated with the highest professional confidentiality.
4. Be advised of the procedures and deadlines for submitting applications(s) for financial aid.
5. Be advised of how and when financial aid funds are disbursed.
6. Request a review of your financial aid package if family and/or financial circumstances have changed.

**Special Circumstances:** It is assumed that family income and circumstances remain the same from year to year. If you or your parent(s) (if dependent) have a decrease in income from what was reported on the FAFSA because of unemployment, loss of untaxed income, separation or divorce, disability or death, please contact the Heartland Community College Financial Aid Office. You may be eligible to have your financial aid reviewed using projected calendar year income rather than past year income information.

**Financial Aid Consortium Agreement with Illinois State University:** Heartland Community College and Illinois State University have entered a consortium agreement to maximize financial aid eligibility for students concurrently enrolled at both institutions. Under the agreement, the hours of enrollment at each institution can be combined for financial aid purposes. To be eligible, a student must be enrolled for at least 6 credit hours at Illinois State University (ISU) and a minimum of 3 credit hours at Heartland Community College (HCC). The ISU hours must

be greater than or equal to the HCC hours. The HCC hours must be transferable to ISU and count toward the student's major course of study. It is the student's responsibility to contact the Financial Aid Office at Illinois State University prior to the enrollment period to complete the appropriate Consortium Contract paperwork.

### **Types of Financial Aid**

**Federal Pell Grant** is funded and administered by the U.S. Department of Education. To qualify for the Federal Pell Grant, students must demonstrate significant financial need. Awards range from \$555-\$5550 per academic year. After the Free Application for Federal Student Aid (FAFSA) is evaluated, the U.S. Department of Education determines a student's eligibility for the Federal Pell Grant.

**Federal Supplemental Educational Opportunity Grant (FSEOG)** is funded by the U.S. Department of Education. To qualify for the FSEOG, students must meet specific criteria outlined by the Financial Aid Office. Students who are awarded FSEOG must be enrolled for at least 6 credit hours per semester in order to receive the award. FSEOG awards vary in amount, but generally are \$100-\$500 per year. A limited amount of FSEOG funding is available.

**Federal Work Study (FWS)** awards allow for an opportunity to work on campus or at specific off-campus non-profit agencies. Students who demonstrate financial need and who are hired under the FWS program will receive a paycheck every two weeks for hours worked. The U.S. Department of Education pays a large percentage of the hourly salary and the employer pays the remainder. Available jobs under the FWS program are advertised through the Financial Aid Office. Students must be enrolled for at least 6 credit hours per semester and maintain greater than a 2.0 cumulative grade point average in order to work under the FWS program. A limited amount of FWS funding is available.

**William D. Ford Federal Direct Stafford Loans** are funded by the U.S. Department of Education. Direct loans are funds that must be repaid with interest. Your lender is the U.S. Department of Education and the loan is repaid to the federal government. All students borrowing under the direct loan program must submit the FAFSA. There are two types of Federal Direct Loans – a subsidized loan and an unsubsidized loan. Students must demonstrate financial need in order to receive a subsidized loan. The federal government will pay the interest on a subsidized loan while the student is enrolled in college at least half time (6 credit hours). An unsubsidized loan is not based on financial need. The student is responsible for paying the

interest on an unsubsidized loan from the time the loan is disbursed. This means that the student will make interest payments while enrolled in school.

Because both Subsidized and Unsubsidized loans **MUST** be repaid (with interest) to the U.S. government, students will be required to sign a legally binding promissory note promising to repay the money borrowed. Students should think very carefully before borrowing under these loan programs because there are serious consequences to not repaying student loans.

Under the Direct Loan program, students may generally borrow up to \$5500 as a freshman and up to \$6500 as a sophomore per academic year. Under certain circumstances independent students may be eligible to borrow up to an additional \$4000. For the 2011-2012 academic year, the interest rate on the subsidized loan is 3.4%. The interest rate on the unsubsidized Stafford loan is 6.8%. A fee of 1/2% is deducted from the loan amount. This fee goes directly to the federal government to help offset the cost of making the loan.

**William D. Ford Federal Direct Parent Loans for Undergraduate Students (PLUS)**

are available to parents of dependent undergraduate students who are enrolled at least half time (six credit hours). The loan is not based on need and the borrower is the parent, **not** the student. The interest rate on the loan is fixed at 7.9%. Eligibility is based on credit approval. Parents may borrow up to the amount of educational expenses minus any financial aid received by the student. A fee of 4% minus a 1.5% rebate is deducted from the loan amount. This fee goes directly to the federal government to help offset the cost of making the loan. Repayment begins within 60 days of the funds being fully disbursed.

**Illinois Student Assistance Commission (ISAC) Monetary Award Program (MAP) Grant** is

awarded to eligible Illinois residents who demonstrate financial need. Students are automatically considered for a MAP grant by submitting the FAFSA. MAP grant awards can only be used to pay tuition and mandatory fees and vary in amount but range from \$284 - \$1672 per academic year. Funding for MAP grants is limited and eligibility for the award is determined by ISAC and the date of the FAFSA submission. In past years, the cutoff date for being considered for a full year MAP grant has been as early as mid-March. It is to your advantage to complete the FAFSA as early as possible. Students can receive up to a maximum of 75 paid MAP credit hours at the community college level.

**Illinois Veterans Grant (IVG)** is awarded to eligible students who entered the military from the state of Illinois, served at least one year of honorable active duty and returned to Illinois within six months of separation. IVG pays tuition and certain fees and is not based on financial need; however, students need to maintain satisfactory academic progress as defined in the Heartland Community College Course Catalog. Applications are available online through the Illinois Student Assistance Commission or from the Financial Aid Office.

**Illinois National Guard (ING) Grant** is awarded to members of the Illinois National Guard or Illinois Naval Militia who served at least one year and are concurrently in the Guard or Militia. The grant pays tuition and certain fees and is not based on financial need; however, students need to maintain satisfactory academic progress as defined in the Heartland Community College Course Catalog. Applications are available in the Financial Aid Office or online through the Illinois Student Assistance Commission and must be submitted for each year of enrollment.

**Federal Financial Aid for Veterans:** The Financial Aid Office will provide assistance and enrollment certification for veterans who wish to use their federal benefits at Heartland Community College. Applicants must complete VA forms and submit proof of their military service record and official transcripts for all previous college coursework. Certain veterans programs require additional verification of information.

**Heartland Community College Foundation Scholarships** are achievement and/or leadership competitive-based awards for students who complete the Foundation Scholarship Application Form, meet the specific criteria of the scholarship and are selected as recipients. Generally, the deadline for applying is March 1.

A listing of all Foundation scholarships and their criteria can be found on the Heartland Community College web site. Applications for all Foundation scholarships are submitted through the Heartland web site. Contact the Heartland Community College Foundation Office at 309-268-8019 for more information.

## **Tax Considerations**

### **TAX CREDITS:**

**American Opportunity Tax Credit (AOTC)** -- A partially refundable credit that allows even households with little or no tax liability to take advantage of the credit. Refundability is limited to 40 percent of the credit amount for which a taxpayer is eligible. Since the maximum per-student credit amount is \$2,500, the maximum per-student credit refund is \$1,000. Qualified expenses include tuition, fees and course-related books, supplies and equipment.

**Lifetime Learning Tax Credit** -- This credit may be claimed for the qualified tuition and related expenses of the students in a taxpayer's family who are enrolled at eligible institutions. The credit amount is equal to 20 percent of the taxpayer's first \$10,000 of out-of-pocket qualified tuition and related expenses. The maximum credit a taxpayer may claim is \$2,000 and is not refundable. If a taxpayer is claiming an American Opportunity Tax Credit for a particular student, none of that student's expenses may be applied to the Lifetime Learning credit.

### **DEDUCTIONS:**

**Above-the-line deduction for tuition and fees** -- Sometimes referred to as the Higher Education Deduction, this deduction is subtracted from taxable income before other deductions or exemptions are claimed. One of the benefits of this above-the-line deduction is that it reduces the taxpayer's adjusted gross income (AGI).

**Work-related education deduction** -- An individual taxpayer may qualify for this deduction if the education maintains or improves a skill in the taxpayer's present work and is required by the taxpayer's employer to maintain salary, status, or job.

### **EXCLUSIONS:**

**For scholarship and fellowship income** -- A scholarship or fellowship is tax free if the recipient is a candidate for a degree at an educational institution and it is used to pay qualified education expenses, which includes tuition, fees, books, supplies, and equipment that are required for courses.

**Tuition reductions** -- Below the graduate school level, the tuition reduction is tax free if the educational institution gives the reduction to its employees, or retirees, for their own education or that of their spouse or children. This benefit is applicable at primary and secondary schools as well. At the graduate level, a tuition reduction is tax free if it is given by an educational institution to a graduate student who teaches or does research for that college or university and the reduction is not given as payment for services rendered.

**Employer-provided education benefits** -- Individuals may receive up to \$5,250 each year in educational assistance from their employer tax free, only if it is provided in association with an educational assistance program.

**Incentives for preferential tax treatment of student loan expenses:**

**Student loan interest deduction** -- The interest paid is an above-the-line deduction. A maximum of \$2,500 in paid student loan interest can be deducted annually. Taxpayers can deduct interest that they are required to pay as well as any interest payments made voluntarily, as long as they are not claimed as a dependent by another taxpayer or married and filing separate tax returns.

**Exclusion for student loans that have been forgiven** -- A canceled loan qualifies for tax-free treatment if it contains a provision that all or part of the debt will be canceled if the taxpayer works for a certain period of time, in a certain profession, and for any of a broad class of employers. The loan must be made by a qualified lender.

**Incentives for saving for college:**

**Qualified Tuition Plans (QTPs or 529 plans)** -- Taxpayers contribute after-tax dollars, which are then allowed to grow on a tax-deferred basis. If funds are withdrawn to pay eligible higher education expenses, then no income tax will be due. There are generally two types of QTPs:

**Prepaid plans** allow individuals to purchase tuition years in advance of attendance at a discounted present day price.

**Savings plans** offer market-based returns based upon the type of investment selected by the plan owner.

**Coverdell Education Savings Accounts** -- Tax-preferred savings accounts originally created for the purpose of paying for college. Parents can contribute a maximum of \$2,000 per child (under age 18) annually. Contributions to Coverdell accounts are not tax deductible; however, the earnings on the account are tax free as long as the funds are used for qualified education expenses.

**Education savings bond program** -- Taxpayers may be able to redeem qualified U.S. Savings Bonds, without having to include in their income, some or all of the interest earned on the bonds. If the funds are used for qualified educational expenses for themselves, their spouse or a dependent for whom they have claim as an exemption on their tax return, this exclusion may apply.

**Withdrawals from individual retirement accounts (IRAs)** -- When the withdrawal is made for qualified higher education expenses, the taxpayer does not incur the 10 percent tax on early withdrawal. The withdrawn amount is, however, considered income and is subject to tax.

**The allowance of uniform transfers to minors** -- gifts of up to \$12,000 made by a donor during the calendar year to anyone are not included in the total amount of the donor's taxable gifts that year. This annual exclusion is available to all donors.

The College is required to send information to you and the Internal Revenue Service (IRS) by January 31<sup>st</sup> about your tuition charges and grants and scholarships received on a Form 1098T. It is your responsibility to use this information when filling out your income tax return. IRS Publication 970, *Tax Benefits for Education*, provides information about the taxability of scholarships and grants you may have received, as well as tax benefits for which you might be eligible. If you need further assistance, contact the local IRS office or a tax advisor. The college cannot provide income tax advice.