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A consortium agreement is a contract between a matriculated, University of Rochester undergraduate student, the University of Rochester, and a host college or university. This contract grants a student permission to enroll directly through a host institution during the summer or academic year and then transfer completed credits back toward her/his University of Rochester degree while utilizing federal financial aid.

Students with a consortium agreement are entitled to their Federal Direct Loan and Federal Pell Grant for the corresponding academic term if they have eligibility. University-based aid is NOT transferable. These non-transferable sources include, but are not limited to University merit scholarships, Rochester National Grant, Federal Work Study, Federal Perkins loan, or University loans.

Students interested in pursuing a consortium agreement during the academic year or summer, must contact their financial aid counselor to discuss the process and to request the consortium agreement form. You will be required to complete this form, have it signed by the Dean of the College (or the Education Abroad Office if appropriate), include a copy of your course approval form, and return the form to the Financial Aid Office. Upon completion of the form by the Host institution and the University, the Financial Aid Office will award federal financial aid as noted previously and defined in the agreement. In addition, enrollment in each of the courses listed must be confirmed before any federal financial aid disbursements will occur. This verification cannot take place until the class or program is in session. Students should be prepared to pay the Host institution's bill up front, if required.

Students pursuing a consortium agreement for any term, including summer, must enroll in and successfully complete a minimum of six credits in order to be eligible for Federal Direct Loans.

# APPENDIX

## STUDENT LOANS

Although the University does not package non-need-based student loans in financial aid awards, there may be circumstances in which a student may request a loan—for example, to replace a shortfall in savings from summer employment, to reduce or replace academic year employment, or to purchase a personal computer. Loan proceeds will be credited to the student account after the student has signed a promissory note and completed Entrance Counseling ([studentloans.gov](http://studentloans.gov)) and will first be applied to any current or outstanding balance due.

**Federal Direct Stafford Loan:** There are both subsidized and unsubsidized Federal Direct Stafford Loans for students. According to federal regulations, the amount of subsidized loan that you may borrow is limited to the difference between your student expense budget and the sum of your family contribution, benefits, and any other financial aid you receive. Unsubsidized loans only take into consideration benefits and other aid, including subsidized loans.

Under the Federal Direct Student Loan program, you may borrow a Stafford Loan (either subsidized, unsubsidized, or a combination) of as much as \$3,500 as a first-year student, \$4,500 as a sophomore, and \$5,500 a year as a junior or senior.

Dependent students may borrow an additional unsubsidized loan of as much as \$2,000 a year. The cumulative loan maximum for dependent students is \$31,500, of which no more than \$23,000 can be subsidized.

Independent students (and dependent students whose parents cannot borrow a federal PLUS Loan) may borrow additional unsubsidized loans of as much as \$6,000 as a first-year student or sophomore, and as much as \$7,000 as a junior or senior. The cumulative maximum for independent students (and dependent students whose parents cannot borrow a federal PLUS Loan) is \$57,500, of which no more than \$23,000 can be subsidized.

The interest rate on subsidized Federal Direct Stafford Loans is fixed for the life of the loan. Payment of principal and interest begins after a six-month grace period. Interest rates will be determined each June for new loans for the upcoming award year, which runs from July 1 to June 30 (3.76% for 2016–17).

The interest rate on unsubsidized loans is also fixed. However, the borrower bears interest charges from the date the loan is disbursed. Interest on unsubsidized loans may either be paid as it accrues or be deferred and capitalized (i.e., added to the loan principal) while you are in school and for a grace period of six months after graduation or termination of studies. Payment of principal (and interest, if it has been deferred) begins after the grace period.

The usual repayment period is ten years, although a monthly minimum payment of \$50 is required.

There are also provisions for other repayment terms, including extended repayment (lower fixed monthly payments over an extended period), graduated repayment (lower initial payments with increases at specific times during repayment), and income-based, contingent, sensitive, and pay-as-you-earn repayment (repayment amounts set annually according to income with repayment extending as much as 20–25 years).

Repayment may be deferred for graduate school or study in an approved graduate fellowship program. Deferments may also be approved in the event of temporary disability, unemployment, or economic hardship. Deferments apply to both principal and interest for subsidized loans, but to principal only for unsubsidized loans (although accrued interest may be capitalized). The loan will be canceled in the event of death or total and permanent disability.

The unsubsidized loan program is not need-based, but to borrow an unsubsidized loan, it must be determined that you are ineligible for the subsidized program. The maximum amount of unsubsidized loan that may be borrowed is the difference between the annual limits cited above and the amount of any subsidized loan. In addition, an unsubsidized loan is regarded as replacing a part (or all) of your family contribution and, therefore, cannot exceed that amount (reduced by any parent loan).

There is a 1.069% federal origination fee charged by the federal government on Federal Direct Stafford Loans disbursed on or after October 1, 2016. This amount will be deducted from the loan before the remainder of the loan is credited to the student account.

You must complete and electronically sign a “master promissory note” and complete Entrance Counseling online with the US Department of Education before a loan may be disbursed as a credit to your student account. Loans in subsequent years do not require a new promissory note. The loan will be disbursed in two installments.

**Federal Perkins Loan:** This federal program provides loans for students with demonstrated financial need. It is administered directly by the University of Rochester. A student may borrow as much as \$5,500 a year; a total of no more than \$27,500 may be borrowed as an undergraduate. The interest rate is 5%. There is no repayment required and no interest charged while you are in college and for nine months after graduation or termination of studies. The repayment period may be as long as ten years, although a monthly minimum payment of \$40 is required.

There are provisions for deferment of repayment for graduate school or study in an approved graduate fellowship program, as well as for periods during which you are engaged in service that qualifies for cancellation of part of your loan. Deferments may also be approved in the event of temporary total disability, unemployment, or economic hardship.

Portions of the loan may be canceled for service as:

- A teacher in designated schools that serve students from low-income families.
- A special education teacher.
- A teacher of math, science, foreign languages, bilingual education, or other fields designated as teacher shortage areas.

- A nurse, medical technician, or law enforcement or corrections officer.
- An employee of a public or nonprofit child or family service agency that provides services to high-risk children and their families from low-income communities.
- A professional provider of early intervention services for the disabled.
- A staff member in the educational component of a Head Start program.
- A volunteer in the Peace Corps or under the Domestic Volunteer Service Act of 1973.
- A member of the armed forces serving in an area of hostilities or eminent danger.

The loan will be canceled in the event of death or total and permanent disability.

**University of Rochester Student Loan:** The University provides subsidized loans from its own funds in certain situations. The interest rate is 7% during repayment. The grace period, deferment, and cancellation provisions of the Federal Direct Stafford Loan program also apply to the University of Rochester Student Loans.

## CONTACT INFORMATION

### Financial Aid Office

#### University of Rochester

Wallis Hall

PO Box 270261

Rochester, NY 14627-0261

**Website:** [enrollment.rochester.edu/financial-aid](http://enrollment.rochester.edu/financial-aid)

**Consumer Information:** [enrollment.rochester.edu/student-consumer-information/](http://enrollment.rochester.edu/student-consumer-information/)

**Phone:** (585) 275-3226

**Toll Free:** (800) 881-8234

**Fax:** (585) 756-7664

**Email:** [finaid@rochester.edu](mailto:finaid@rochester.edu)

**Twitter:** [@URFinAid](https://twitter.com/URFinAid)

**Tumblr:** [urfinanciallyfit.tumblr.com](http://urfinanciallyfit.tumblr.com)

# Glossary of Terms

**Cost of Attendance** – An estimate of total educational costs for the nine-month school year, including tuition, mandatory fees, room, board, books and supplies, personal expenses, and transportation.

**Expected Family Contribution (EFC)** – The amount you are expected to contribute toward the cost of your education. Based on family earnings, savings, net assets, family size, and number of undergraduate children in college.

**Federal Direct Loans** – Low-interest loans provided by the federal government. Borrowing limits vary depending on a student's year in college.

**Federal Direct Parent Loans for Undergraduate Students (PLUS)** – A federal credit-based loan, not based on need, available to parents of undergraduate students.

**Federal Direct Subsidized Loans** – Loans, based on financial need, for which the government pays interest while the student is in college.

**Federal Direct Unsubsidized Loans** – Loans available without regard to financial need and for which students accrue interest expenses while still in college.

**Federal Work Study (FWS)** – A federal program that offers students the opportunity to meet some of their indirect costs by working part-time on campus or off campus at an approved nonprofit agency. As with any employment, neither a job nor a specific number of hours is guaranteed. A student must earn work-study funds and is paid in the form of a paycheck, according to the number of hours worked.

**Financial Aid Package** – A combination of scholarships, grants, loans and work study.

**Free Application for Federal Student Aid (FAFSA)** – The form (available at [fafsa.gov](http://fafsa.gov)) that you must complete and send to the federal processor to determine your eligibility for federal financial aid. The University of Rochester school code is 002894.

**Gift Aid** – Financial aid, such as a grant or scholarship, that does not need to be repaid.

**Grants** – Aid given to students by the federal government, state agencies, and colleges/universities with no expectation of repayment. Much, but not all, of grand aid is based on financial need.

**Merit Scholarships** – Awards based on academic achievement, independent of financial need.

**Need-Aware Admission** – An admission decision policy in which a college does consider the financial need of applicants in admissions decisions.

**Outside Scholarships** – Scholarships available through sources such as religious and civic organizations, your employer, and local businesses.

**Pell Grants** – Federal Grants awarded to students with the highest level of demonstrated need. For 2017-18, grant awards range from \$596-\$5,920 per year.

**Perkins Loans** – Federal, low-interest loans awarded to students with the highest level of demonstrated financial need.

**Private Loans** – Credit-based educational loans that can help meet your family’s expected contribution. You should consider the Federal Direct Loan programs before considering a private loan.

**PROFILE** – A form required by some colleges in the financial aid application process. The University of Rochester does require the CSS Profile, available at [profileonline.collegeboard.com](http://profileonline.collegeboard.com). Our school code is 2928. This form is used to determine eligibility for University-funded grants. There is a nominal fee for this form.

**Student Aid Report (SAR)** – A federal government report, sent to the student, that contains the federal Expected Family Contribution (EFC) and provides a summary of the information submitted on the FAFSA.

**Supplemental Educational Opportunity Grant (SEOG)** – A federal grant awarded to low-income Pell Grant recipients.

*This handbook does not constitute a contract between the institution and the student.*