

# American College of Acupuncture & Oriental Medicine

## Frequently Asked Financial Aid Questions

### What kind of financial aid is available?

Federal Direct Stafford Loans are managed by the U. S. Department of Education and are available at American College of Acupuncture & Oriental Medicine (ACAOM). The Budget Control Act of 2011 made significant changes to the federal student loan program that eliminated subsidies for graduate student loans effective July 1, 2012. This means that beginning in Fall 2012, the Direct Subsidized Loan will be available for undergraduate students only, but not for graduate and professional students. Graduate and Professional students will only be eligible for Direct Unsubsidized Loans. If extra funding is required beyond the Unsubsidized Loan, Direct PLUS loan funds are also available for those without adverse credit history.

For loans disbursed between July 1, 2016 and June 30, 2017, the Direct Unsubsidized loan currently carries a 1.069% loan fee and 5.31% interest. The interest may be capitalized (added to your principal loans balance, thus increasing the amount you'll repay). The repayment of Direct Unsubsidized Loan starts 6 months after you leave school or drop below half-time enrollment. The Graduate PLUS Loan currently carries a 4.276% loan fee and an interest rate of 6.31% and is available to those who need to borrow more than the maximum unsubsidized loan amount to meet education costs that are not covered by other financial aid. The interest may also be capitalized. The repayment of PLUS loan starts 2 months after the loan is fully disbursed, and there is no grace period for repaying Graduate PLUS loan.

### Who is eligible to receive financial aid?

The applicant must be either a U. S. citizen or permanent resident admitted to one of our accredited programs as a degree-seeking student. The applicant must also be enrolling for at least half-time (6 credits) and making satisfactory academic progress both in quality and quantity.

### How much can I borrow?

The Direct Unsubsidized Loan is awarded regardless of financial needs, and you may borrow a loan of up to the cost of attendance not to exceed \$10,250 per semester. Please note that ACAOM operates three semesters a year, therefore, the maximum annual amount you may borrow are three times the above amount, or \$30,750.

On a Graduate PLUS loan, you may borrow up to maximum cost of attendance at current interest rate. To qualify for a Graduate PLUS loan, the borrowers must not have an adverse credit history (a credit check is required). If you have an adverse credit history, you may still receive a PLUS loan if you obtain an endorser who does not have an adverse credit history.

### Are there any loan fees for these loans?

For the unsubsidized loans, the regular loan fee is 1.073% of the gross amount of loan, and for the PLUS loan, the regular loan fee is 4.276%. These loan fees are subject to changes according to federal laws.

### How do I apply for the loans?

The first step is to file the **Free Application for Federal Student Aid (FAFSA)** online. Go to <http://www.fafsa.ed.gov> to fill out the form. You will first apply for your PIN number so that you may go back to the website any time to complete the form. Be sure to include our school name and our **Federal School Code "031533"** on your application. Once submitted, you will receive a Financial Aid Offer letter from the College's Financial Aid Office informing you the amount of funds available to you. You need to specify the amount of loan requested on the Financial Aid Offer form and return the form to the Financial Aid Office for processing.

**How will I get the loan money?**

Your loan money will be paid through the College's financial Aid Office at the beginning of each semester. If you chose to defer your tuition payment and other fees while waiting for the loans, your loan money must first be applied to pay for tuition and fees. If loan money remains, you'll receive the funds by check.

**How long it takes to obtain the loans?**

For the first time borrowers, it will take at least one month before the money can be disbursed. To assist in the financial aid applicants' cash flow problems, ACAOM allows the applicants to defer tuition payment until the financial aid funds are available.

**When do I pay back my Stafford Loans?**

After you graduate, leave school, or drop below half-time enrollment, you will have a six-month "grace period" before you begin repayment. During this period, you'll receive repayment information from the Department of Education, and you'll be notified of your first payment due date. You're responsible for repayment on time. There will be no grace period for PLUS loans.

**Can I pay interest on my loans while I am in school?**

Yes, if you want to pay the interest that accrues on your Direct Unsubsidized Loan or your Direct PLUS Loan while you are in school, contact the Direct Loan Servicing Center at 1-800-848-0979.

**How do I pay back my loans?**

You'll repay your Loan to the U.S. Department of Education's Direct Loan Servicing Center. The Direct Loan program offers several repayment plans you can choose from, but the terms differ slightly. Income-based Repayment Plans are also available. Your payment under this plan will be based on your income during any period when you have a partial financial hardship. Your monthly payment amount may be adjusted annually. You will receive more detailed information on your repayment options during entrance and exit counseling sessions from the College's Financial Aid Office.

**What if I have trouble repaying the loan?**

Under certain circumstances, you can receive a deferment or forbearance on your loan, as long as it's not in default. During a deferment, no payments are required. You won't be charged interest for a subsidized loan. If you have an unsubsidized Stafford Loan, you are responsible for the interest during deferment.

If you're temporarily unable to meet your repayment schedule, (for example, due to poor health or other unforeseen personal problems), and you're not eligible for a deferment, you might be granted forbearance for a limited and specified period. However, you will be responsible for the interest for both subsidized and unsubsidized loans.

**Can my Stafford Loan ever be discharged (canceled)?**

Yes, but only under a few limited circumstances. Your loan cannot be canceled because you didn't complete the program of study at the school (unless you could not complete the program for a valid reason, such as the school closed, for example), or because you didn't like the school or the program of study, or you didn't obtain employment after completing the program of study.

**What if I have more questions?**

If you have questions regarding other types of financial aid, such as Federal Work-Study program, veteran education benefits, or scholarship information, contact the Financial Aid Office at (713) 780-9777 or email [financialaid@acaom.edu](mailto:financialaid@acaom.edu).

For further questions about Direct Loans, or your loan status, you may also contact the Direct Loan Servicing Center at 800-848-0979.