

INDIAN HILLS COMMUNITY COLLEGE

# Federal and State Financial Aid Information

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Indian Hills Community College

### Eligibility

In addition to demonstrating financial need, you must also meet these eligibility requirements:

- Be enrolled as a regular student in an eligible program.
- Be a degree-seeking student.
- Have a valid high school diploma, GED, HiSet or meet home school requirements.
- Be a U.S. citizen or eligible non-citizen.
- Have a valid Social Security card.
- Maintain satisfactory academic progress in the selected course of study.
- Be registered with Selective Service (if required).
- Not owe a repayment on a Federal or state grant.
- Not be in default on a student loan.

### How to Apply

All students must complete the Free Application for Federal Student Aid (FAFSA). We recommend you file electronically on the [FAFSA web site](http://www.fafsa.ed.gov) at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). Students and their parents will both need to apply for a FSA ID to serve as their electronic signatures on the FAFSA. The FSA ID information is also available from the FAFSA site. If you are unable to file electronically, paper applications are available from your local high school. Contact the Financial Aid Office for more information.

Don't forget to search for local scholarships and grants that you may qualify for. These will help reduce any account balance that may not be met with federal and state aid.

### New students

Within approximately 3-4 weeks of filing your FAFSA, you should receive a detailed award notification in the mail. This should allow you enough time to examine the financial assistance offer prior to notifying Indian Hills Community College of your decision to enroll. Documentation supporting the financial information reported on the FAFSA may be required prior to your enrollment.

### Current students

Continuing student award notifications will be processed after all required forms have been submitted. Continuing student correspondence will be sent to the student's Indian Hills Community College email account.

## Federal Sources of Financial Aid

Please see Federal Student Aid (<http://studentaid.ed.gov>), your source for free information from the U. S. Department of Education on preparing for and funding education beyond high school.

### Pell Grants

Pell Grants provide assistance to low-income families who demonstrate high levels of financial need. The maximum 2017/2018 Pell grant award is \$5920

### Supplemental Educational Opportunity Grant (SEOG)

The SEOG provides assistance to low-income families. Priority is given to Pell Grant recipients. Individual awards typically range from \$100 to \$300 annually.

### Work-Study

Work-study positions provide an important experience for students at Indian Hills. Studies show that students who work while in college actually do better academically and have higher retention rates as they become a part of their learning environment.

Students are awarded work study in their financial aid award. Work study for new students is typically limited to a maximum of 15 hours per week. It is important to leave enough time for students to be involved in the many other activities on campus.

Work study is paid to the student directly twice a month and it may be used to reduce the balance on their student account. For payroll purposes, Indian Hills is required to provide two forms - a [Federal W4](http://www.irs.gov/pub/irs-pdf/fw4.pdf) (<http://www.irs.gov/pub/irs-pdf/fw4.pdf>) and an [Iowa W4](http://www.state.ia.us/tax/forms/44019.pdf) (<http://www.state.ia.us/tax/forms/44019.pdf>) - for each student. Students will also be required to complete a [Federal I-9](http://www.uscis.gov/files/form/I-9.pdf) (<http://www.uscis.gov/files/form/I-9.pdf>) form prior to being paid. Students need to bring two forms of ID (original Social Security card, certified birth certificate, or passport) to the Financial Aid Office in the Bennett Student Services Building in Ottumwa or the Administration Building in Centerville to fulfill this requirement.

### Federal Direct Loans

Direct Subsidized loans are low-interest loans available through the Federal government, where the government pays the interest on this loan while the student is in school at least half-time. Direct Unsubsidized loans are low-interest loans available through the Federal government to families regardless of their income. Interest accrues from the time of disbursement; the principal balance is deferred.

Repayment begins six months after the student leaves school or when the student is no longer enrolled at least half-time (at least 4 credit hours/term). The interest rate varies, depending on the date/year of disbursement. First-time, dependent students may borrow a maximum of \$3,500 Subsidized and \$2,000 Unsubsidized loans. Loan eligibility increases for 2<sup>nd</sup> year students (if the student has 24 credits in an eligible program). First-time independent students may borrow a maximum of \$3500 Subsidized and \$6000 Unsubsidized loans.

Students who borrow under the Direct Loan program are required to complete “**action steps**” before receiving a loan disbursement for the first time at IHCC. You will need to have your FSA ID in order to complete these “action steps.” If you do not have a FSA ID, you can [apply](#) for one at [www.fsaaid.ed.gov](http://www.fsaaid.ed.gov)

Once you have your FSA ID, complete an [Entrance Counseling](#) session with the Department of Education and electronically sign a [Master Promissory Note](#) at [www.studentloans.gov](http://www.studentloans.gov).

When you graduate or leave Indian Hills Community College, you will need to complete an [Exit Counseling](#) session with the Department of Education at [www.studentloans.gov](http://www.studentloans.gov)

### **Federal Direct Parent Loan for Undergraduate Students (PLUS)**

PLUS is a loan your parents can use to finance all or part of your educational expenses over an extended period of time. Funding is available to finance your total share of the cost of attendance (COA). Eligibility for the PLUS loan is based on credit-worthiness and ability to repay, not on financial need. The parent **MAY** be able to defer principal payments while you are enrolled in college if certain qualifying requirements are met. Different repayment plans are offered (Standard, Graduated, or Extended).

Some of the benefits are outlined below:

- Unsecured loan, not based on family income
- Guaranteed by the Federal government
- Loans range up to the total cost of attendance, including travel and personal expenses
- Fixed interest rate of 6.31% (for new and existing loans disbursed on or after July 1, 2006)
- Origination fee of up to 4% of loan amount
- Standard repayment up to 10 years (fixed monthly payments)
- Graduated repayment up to 10 years (lower monthly payments at first that gradually increase)
- Extended repayment available up to 25 years (fixed or graduated monthly payments)
- Payments begin 60 days after the final installment of the loan is fully received
- Parent must not have an adverse credit history

An application for the [Direct Parent PLUS loans](#) may be completed online at [www.studentloans.gov](http://www.studentloans.gov) or you can pick up a paper application in the Financial Aid Office.

### **Iowa Sources of Financial Aid**

#### **Iowa Vocational-Technical Tuition Grant**

Iowa Vocational-Technical Tuition Grant program is for students in career education (vocational-technical) courses at Iowa community colleges. Students must have been residents of Iowa for at least 12 months prior to enrolling at Indian Hills Community College.

#### **Iowa National Guard Education Assistance Program**

The Iowa National Guard Education Assistance Program is for members of the Iowa National Guard. Contact your Guard unit for application procedures.

**Iowa Kibbie Grant**

The Iowa Kibbie Grant is for students enrolling in specific career education (vocational-technical courses at Iowa community colleges).

**All Iowa Opportunity Scholarship**

The All Iowa Opportunity Scholarship program is a statewide need-based grant program that assist high-need Iowa residents with the cost of postsecondary education. Students must complete the Iowa Financial Aid Application and file the FAFSA. The Iowa College Student Aid Commission selects students to receive this scholarship.

**GEAR UP Scholarship**

The Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Scholarship is a statewide non need-based scholarship program that assists students in the GEAR UP Iowa cohort with the cost of postsecondary education. Recipients must have been in the official GEAR UP Iowa cohort scheduled to graduate high school in the spring.

**Alternative/Private Loans**

Another financing option available for parent or student borrowers would be to inquire and learn about Alternative/Private loan options. However, Indian Hills Community College (IHCC) strongly encourages the pursuit of all available State and Federal scholarships, grants, and lower interest loans as well as local scholarships and grants before considering alternative or private loans.

IHCC recommends students and parents evaluate loan products carefully before accepting any loan proceeds. Loan repayment terms may vary by lender. We would advise a web-based search for lender options and terms. The selection of an alternative/private lender is the decision of the student and/or parent.

**Educational Tax Benefits**

The Taxpayer Relief Act enacted the HOPE tuition tax credit, tax-free status for distribution from state prepaid tuition plans, penalty-free distributions from retirement funds for education, and a tax deduction for education loan interest.

This information is intended to give you a brief overview of the program. Because the specifics on each of the programs vary according to individual circumstances, we encourage you to discuss this with your tax consultant.

**Hope Scholarship Credit**

Tax credit up to \$2,500, limited to the first four years and may not be taken concurrently with the Lifetime Learning Credit or distributions from the EIRA (for a specific beneficiary). The IRS has a page

with answers to the most commonly asked questions about the Hope Scholarship Credit. Please visit [www.irs.gov](http://www.irs.gov) for more information.

### **Lifetime Learning Credits**

Tax credit of up to a \$2,000 for qualified education expenses for an unlimited period of enrollment. Please visit [www.irs.gov](http://www.irs.gov) for more information.

### **Student Loan Interest Deductions (on your tax return)**

If your modified adjusted gross income (MAGI) is less than \$80,000 (or \$160,000 if filing a joint return), there is a special deduction allowed for paying interest on a student loan (also known as an education loan) used for higher education. Please visit [www.irs.gov](http://www.irs.gov) for more information.

### **Penalty-Free Withdrawals from Individual Retirement Plans for Higher Education Expenses**

Protection from the 10% additional tax on early distribution of retirement funds up to the cost of qualified higher education expenses.

### **Education Individual Retirement Accounts (EIRA)**

Allows families to establish an educational IRA as trusts created exclusively for the purpose of paying the qualified higher education expenses of the designated beneficiary. EIRAs are exempt from taxation if they meet designated criteria.

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For further assistance, please contact the Financial Aid Office:

#### **Financial Aid Office/One Stop Service Center**

Indian Hills Community College  
623 Indian Hills Drive  
Ottumwa, IA 52501

**Email:** [onestop@indianhills.edu](mailto:onestop@indianhills.edu)

**Phone:** (641) 683-5262 or (800) 726-2585 ext. 5262

**Fax:** (641) 683-5741