

FINANCIAL AID OFFICE POLICIES AND PROCEDURES

1 INTRODUCTION

The California Western School of Law Financial Aid Office staff is dedicated to helping students through the financial aid application process and guiding students in making intelligent decisions about paying for law school. With these goals in mind, the Financial Aid Office offers an uncomplicated electronic application process as well as comprehensive individual and group student loan and debt counseling. The financial assistance programs administered by the Financial Aid Office at California Western School of Law include federal loans, private loans, and Federal Work-Study. Information about California Western's scholarship programs is available on the California Western School of Law web pages at www.cwsl.edu, or by request from the Admissions Office. Periodically, the student body will receive email from the Financial Aid Office regarding scholarship opportunities.

Student aid programs are subject to federal and state statutes and regulations that continually change. While we make every attempt to keep you informed of new laws and regulations as they come about, you will benefit greatly from asking questions of the Financial Aid Office staff, keeping up with your law school email, and checking for notices posted on the Financial Aid bulletin board and the Financial Aid Office web pages.

2 VETERANS EDUCATION BENEFITS

California Western School of Law is approved for the training of veterans and eligible persons under the provisions of Title 38, United States Code. Refer to the Veterans Education Benefits section of Financial Aid Office web pages for information about the types and amounts of education benefits available, how to apply for benefits, and answers to frequently asked questions. Veterans, survivors, and dependents should contact Kelly Fernando, Director of Financial Aid and V.A. Certifying Official, at (619) 525-7062 or by email at kef@cwsl.edu to get the eligibility certification process started.

3 OVERVIEW OF THE FINANCIAL AID APPLICATION PROCESS

3.1 Beginning the Process

To begin your application for student loans and/or Federal Work Study (FWS) at California Western School of Law you must:

- Submit a FAFSA (see section 4) and
- Apply for aid using the California Western School of Law Online Aid System. (see section 5)

The Financial Aid Office will then review your situation and request additional information if necessary. Once your aid eligibility is determined, your aid package will be assembled, the results will be made available to you via our Online Aid System and (if you have made your seat deposit or are a current student) your eligibility information will be sent to any lenders you may have selected to provide your student loans.

3.2 Completing the Process

Once your aid package has been assembled, you must:

- Review your financial aid package on the Online Aid System.
- E-sign your promissory note(s) on your lender's web site or sign and mail your promissory note(s) to your lender.
- Complete online entrance counseling and any additional required documents requested by the Financial Aid Office. If your application is selected for verification, you will need to complete the verification process.

4 FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)

File a Free Application for Federal Student Aid (FAFSA) on the Web at www.fafsa.ed.gov. You may e-sign your FAFSA using your federal PIN. If you do not have a PIN, you may request one at www.pin.ed.gov. The school code for California Western School of Law is G13103. Once your FAFSA is processed, the federal processor will mail or email your Student Aid Report (SAR) to you, which will reflect the information you reported on your FAFSA. Read the letter portion of the SAR and review the reported information for accuracy. The processor will also send this information to all the schools you indicated on your FAFSA. Review your SAR to confirm that you listed California Western School of Law in the school section.

5 ONLINE AID SYSTEM

California Western's online aid application allows us to collect additional information that may not be included on the FAFSA and serves as your application for student loans and for Federal Work-Study. The application is available to admitted and continuing students on the Financial Aid section of the California Western School of Law web site. The Financial Aid Office staff will email a link to the application and a PIN to newly admitted students. To complete the application, you will need to decide how much assistance you need, what types of aid you would like, and which lender best meets your needs. Cost of Attendance, lender information, and types of aid available are addressed in the Financial Aid Office web pages. We will use the data from your FAFSA and your California Western School of Law Online Aid Application to determine your eligibility for aid. Eligible recipients are sent an email notification that they can view their awards on the Online Aid System.

The lenders on our lender list process applications and disburse funds electronically, and have historically provided our students with reasonable interest rates and good customer service. However, if you prefer to borrow from a lender not on our lender list, you may do so, though it may require the use of paper applications and/or paper checks.

6 VERIFICATION

Some FAFSAs are selected for a process known as verification. Selection for verification simply means that we are required to verify some of the information you provided on your FAFSA for accuracy. Verification selections are made at random or when information is incomplete or seems unclear; either the federal processor or the Financial Aid Office may select your application for verification. If your application is selected for verification, there will be a comment to that effect in the Messages tab as well as missing documents in the Your Documents tab of the Online Aid System. Additionally, if the federal processor selects your application for verification, there will be a comment to that effect in the letter portion of your Student Aid Report (SAR). If selected, you must submit a signed copy of your Federal Income Tax Return, including schedules and copies of W_2s, and a completed Verification Worksheet to the Financial Aid Office. The Verification Worksheet is available for download in the Forms section of the Financial Aid Office web pages. These documents will serve to verify your income, Federal Income Tax paid, household size, the number of family members enrolled in post-secondary institutions on at least a half-time basis, certain untaxed income benefits (i.e. Aid to Families with Dependent Children, Social Security benefits, etc.), and asset information. Any award offered on the Online Aid System is subject to change after the verification process is complete.

7 LOAN PROCESSING

7.1 Loan Certification

We will electronically certify your eligibility for loans to your lender, verifying your enrollment and need for loans, once your financial aid file is complete and you have met the admission deposit requirements. For PLUS Loans or private loans, your lender will check your credit (and your co-signer's credit, if applicable) to confirm that you meet the applicable credit criteria.

If your lender does not participate in the electronic process, you will need to complete and submit a paper application/promissory note to the Financial Aid Office for each of the loan types you are requesting. We will certify your loan application(s) and mail them to your lender. Please keep in mind that this procedure may take longer than the electronic process.

7.2 Promissory Notes

After receiving our certification, your lender will process your loan application. For Federal Stafford and PLUS Loans, the lender will send you a Master Promissory Note (MPN) in paper form or make the note(s) available to you online, if the lender does not already have one on file. Once you have signed a Stafford MPN with a given lender, you will not need to sign another while attending California Western unless you change lenders. In the case of PLUS and private loans, lenders generally require a promissory note for each loan application. Federal Perkins Loan recipients will receive a promissory note and an information sheet from the Financial Aid Office.

Complete and return all documentation to the proper destination: Stafford and PLUS MPNs and private loan promissory notes should be returned to the appropriate lender. The Federal Perkins Loan paperwork should be returned to the California Western Financial Aid Office. Carefully read your promissory notes; you are responsible for understanding the terms and conditions of each of your loans. Retain copies of all loan documents for your records.

7.3 Loan Disbursement

Once your loan is approved, your lender will mail a disclosure statement to you. The loan type and amount, the terms of your loan, and when your loan funds will be sent to the school will be indicated in the disclosure statement. Be sure to keep these statements for your records.

When the disbursement date arrives, the lender will send your student loan funds to the school. In most cases, this is done via Electronic Funds Transfer (EFT). In the EFT process, the lender wires money to the school's bank account. If your lender is not set up for EFT, your loan funds will be disbursed in the form of a check that will be mailed to the school. Such checks will generally be made co-payable to you and the school and will need your endorsement before they can be applied to your tuition account.

Before releasing your funds to the Business Office, the Financial Aid Office will verify your continued eligibility for the funds including your enrollment status and the completeness of your financial aid file. If all is well, Financial Aid will release your loan funds to the Business Office and the funds will be applied to your tuition account. Overpayments from loan disbursements are usually available to students during the first week of classes, assuming you applied for your student loans by the application deadline. However, it is important that you arrange to cover your expenses in the event of a delay in the release of your overpayment check.

As required by federal law, Stafford loans must generally be made with two disbursements. Students will receive half of their total loan funds (less the origination/insurance fees) in their first trimester and the other half in their second trimester. Please keep in mind that your funds are awarded based on your loan period, so your funds from each trimester need to last until the beginning of the next trimester.

8 STUDENT ELIGIBILITY

For detailed information about federal student aid eligibility, please see the current year's version of *Funding Education Beyond High School: The Guide to Federal Student Aid* at <http://studentaid.ed.gov/guide>.

8.1 Criteria

To receive aid from federal student aid programs, you must meet certain criteria:

- *Except for some loan programs, you must show that you have financial need.*
- You must be enrolled or accepted for enrollment as a regular student working toward a degree or certificate in an eligible program.

- You must meet satisfactory academic progress standards (see Section 10) set by the school you are attending.
- You must be a U.S. citizen or eligible noncitizen.
- You must have a valid Social Security number (SSN) (unless you're from the Republic of the Marshall Islands, the Federated States of Micronesia or the Republic of Palau). If you need a SSN, you can find out more about applying for one at www.ssa.gov or by calling 1-800-772-1213. TTY users can call 1-800-325-0778.
- You must certify that you will use federal student aid only for educational purposes. You must also certify that you are not in default on a federal student loan and do not owe money on a federal student grant (which could happen if you withdraw from school, for example). You certify these items when you apply for federal student aid and sign a promissory note to obtain these funds.
- You must comply with Selective Service registration. If you are a male, aged 18 through 25 and you have not registered, you may give the Selective Service System permission to register you by means of the FAFSA. You may also register online at www.sss.gov or call 1-847-688-6888. TTY users can call 1-847-688-2567.
- You must answer the question on the FAFSA which asks, "Have you ever been convicted of possessing or selling illegal drugs?" If you leave it blank, you will not be eligible for federal student aid without submitting a Drug Worksheet. If you answer "Yes", you may or may not be eligible to receive federal student aid. For information, or to find out about your status, call 1-800-4-FED-AID (1-800-433-3243) or go to www.fafsa.ed.gov, click on "FAFSA on the Web Worksheet" in the left column, then select "Drug Worksheet."
- When you apply for student financial aid from federal student aid programs, some of your information is verified with certain federal agencies, including the Social Security Administration and Department of Homeland Security (for verification of Social Security numbers and U.S. citizenship status). If the information does not match, the discrepancy must be resolved before you can receive federal student aid. Your records are also checked against the National Student Loan Data System (NSLDS) to verify that you do not have a defaulted federal student loan, have not received an overpayment on a federal grant or a Federal Perkins Loan and have not borrowed more than the total limit allowed.

9 APPLICATION DEADLINE AND PRIORITY PROCESSING

It is important that you meet the priority application deadline for financial aid. See the Financial Aid web pages for application deadlines. Meeting the deadline allows time for us to consider applications for Federal Perkins Loan and Federal Work-Study (FWS) funds and helps ensure the timely receipt of your loan proceeds. You may apply for financial aid even if you miss the priority application deadline. However, please note that funding in the Federal Perkins Loan and Federal Work-Study programs is limited. Your file must be complete by the application deadline in order to receive priority consideration for Perkins or FWS funds AND for you to be eligible for tuition deferment. If you are an entering student, or a continuing student applying for financial aid for the first time through California Western, you must complete an Entrance Counseling session before we can disburse federal aid to you. Contact the Financial Aid Office for information about Entrance Counseling. In addition, the Financial Aid Office conducts

10.4 Incomplete Coursework

[see also Academic Policies §6.04] Incomplete or in progress courses shall not count as completed units. They shall not be included in GPA calculations for financial aid SAP purposes until such time as the course requirements are fulfilled or the incomplete becomes a failure.

10.5 Course Withdrawals

[see also Academic Policies §3.05(E and F)] Courses with a grade of “W” (withdraw) shall not count as completed units and shall not count in the student’s GPA calculation; courses with a grade of “WF” (withdrawal failing) shall not count as completed units and shall count as a grade of “50” in the student’s GPA calculations.

10.6 Course Repetitions

[see also Academic Policies §2.04] Repeated coursework shall not count as additional units towards SAP. The averaged grade shall be used in Financial Aid SAP calculations.

10.7 Noncredit Remedial Courses

[see also Academic Policies §2.01(C)] Students taking the intervention course for the first or second time may receive financial aid if otherwise eligible. Students taking the intervention course for the third time are considered not to be making SAP and will not be allowed to receive federal student aid. The intervention course shall not count toward GPA or total units for SAP purposes.

10.8 Failure to Maintain SAP

A student who fails to maintain satisfactory academic progress will not be allowed to receive federal student aid. Students who are on academic probation are allowed to receive federal student aid during the probationary term. Warning notices do not affect a student’s ability to receive federal student aid. Students who return to a satisfactory progress status will regain aid at the time that grades are entered for the credits that would bring them back into that status.

10.9 Appeal

Students may appeal their denial of federal aid eligibility to the Director of Financial Aid, who will evaluate such appeals on a case-by-case basis.

11 TUITION DEFERMENT

11.1 Procedure

You may defer payment of tuition and fees by filing a Tuition Deferment/Promissory Note with the Business Office. Your Tuition Deferment will be approved after your financial aid file is complete and will apply to the amount of tuition and fees covered by your financial aid.

11.2 Consequences of Loan Denial

Note: If you defer tuition based in full or in part on a student loan and your lender denies the loan, the portion of tuition deferred based on the loan becomes due and payable immediately. Applicants with derogatory credit should be prepared to secure another method of financing. No institutional funding is available through California Western to

replace loan funds if your lender denies your loan. See Business Office Policies and Procedures.

12 FINANCIAL NEED

12.1 Need-Based Aid

Eligibility for need-based aid is based in full or in part on financial need. Need-based aid includes Federal Work-Study, the Federal Perkins Loan, the subsidized portion of the Federal Stafford Loan, and some scholarships.

12.2 Definition

Financial need is determined using the following equation:

$$\text{Cost of Attendance} - \text{EFC} - \text{Resources} = \text{Financial need}$$

12.3 Cost of Attendance

Cost of Attendance (also known as Student Budget or Cost of Education) is determined by California Western and is made up of expenses related to the pursuit of a degree. The Cost of Attendance includes tuition, fees, books and supplies, room and board, transportation, and personal expenses. Please see the Cost of Education section of the Financial Aid Office web pages for more details.

12.4 Expected Family Contribution (EFC)

A formula established by federal law is applied to the information you report on your FAFSA to compute your Expected Family Contribution (EFC). Graduate students are considered independent, which means your EFC is based on your income and assets and your spouse's income and assets if you are married.

12.5 Resources

Resources are sources of aid that must be counted as part of your financial aid package. Resources include, but are not limited to, scholarships (California Western scholarships and scholarships from other sources), grants, and some veteran's benefits.

13 FINANCIAL AID PROGRAMS

The financial aid programs administered by the Financial Aid Office at California Western School of Law include Campus-Based Aid, the Federal Stafford Loan Program, Federal PLUS Loan, and several private loan programs. These programs are described briefly here. For more in-depth information, see the "Types of Student Aid" section of the Department of Education website at <http://www.studentaid.ed.gov> and the Financial Aid Office web pages. Feel free to call our office if you have any questions regarding the types of aid offered at California Western. You are required to submit a FAFSA or Renewal FAFSA and to complete the financial aid application on the Online Aid System to establish eligibility for federal aid. This includes the Federal Work-Study, Federal Perkins Loan, Federal Stafford Loan Program, and the Federal PLUS Loan Program. Campus-Based Aid California Western School of Law administers two federal campus-based student aid programs: Federal Work-Study (FWS) and the Federal Perkins Loan. Federal Work-Study and Federal Perkins Loans are need-based aid. Your California

Western School of Law Online Aid Application and FAFSA must be on file by the application deadline in order to receive priority consideration for these funds.

13.1 Federal Work-Study (FWS) Program

Federal Work-Study provides eligible students an opportunity to earn money to help meet educational expenses. A pay rate scale, based on your year in school and the type of work performed, determines the pay rate for on-campus FWS jobs. Job listings will be available in the Financial Aid Office during the first week of classes. First year Full-Time Division students will only be offered FWS in cases of exceptional need, and will be limited to five hours of work per week. Upper division Full Time Program students are limited to a maximum of twenty hours of work per week. Students in the Part Time Program may work up to 40 hours per week, irrespective of their year in school. To get an FWS job, students need three things: an award, an employer, and paperwork.

13.1.1 Awards

If awarded, your FWS award is listed on Your Award in the Online Aid System. You can see the trimesters your award covers and the total amount that you may earn during that time.

13.1.2 Employer

FWS job listings can be found in a binder at the Financial Aid Office front counter. These listings include both on-campus and off-campus positions. If you know of an employer who is not listed but who wishes to hire you, please contact the Financial Aid Office; there are certain requirements that the employer (whether on- or off-campus) must meet in order to participate in Federal Work-Study. Talk to the prospective employer to see if working in this position will meet both his and your needs.

Special note on off-campus employers: In order to employ FWS student workers, an off-campus employer must pay 25% of the FWS student's wages. The pay rate must be comparable to what a non-FWS employee would earn in that position. If an employer cannot afford to hire employees under this arrangement, there is a possibility that the job could be paid for by the CWSL Community Service Employment program (CSE): see the CSE section below for details.

13.1.3 Paperwork

At the Financial Aid Office, you'll receive an information packet with details about the FWS program, a contract showing your award, pay rate, and employer, with places for you, your employer, and the Financial Aid staff to sign. You will receive W-4 and I-9 forms, if this is your first time working at California Western. Time cards are available in a tray to the right of the Business Office counter. Be sure to use only the blue cards for FWS.

Once your paperwork and any missing items from your financial aid file are received, you may start work. You are required to maintain an accurate timecard and to have your timecard signed by your supervisor and submitted to the Business Office by the appropriate deadline for the pay period.

13.1.4 Community Service Employment

The Community Service Employment (CSE) Program: In an effort to provide the opportunity for students to work for pay at local community service organizations who cannot afford to pay 25% of a student's wages as required by the Federal Work-Study program, California Western School of Law has instituted the Community Service Employment program. Under CSE, CWSL pays the 25% share of a student's Federal Work-Study wages at the off-campus organization. In order to be eligible for CSE, a student must have a Federal Work-Study award, complete the CSE application, and be awarded CSE funds. An additional requirement of the CSE program is that the student must work, or have worked, 50 hours of volunteer work under the Pro Bono Honors program before beginning paid employment through CSE. For information on the Pro Bono Honors program, please contact the Career Services Office.

CSE funding is limited. If the number of CSE applicants exceeds the available funding, preference will be given to students who have completed their 50 hours of Pro Bono work and students with high need. Applications are accepted during the first week of classes; late applicants will receive CSE awards only if funding is still available.

A list of CSE employers is available in the Financial Aid Office. Not all FWS employers are necessarily eligible to participate in CSE. If you wish to work for an off-campus employer who states that they cannot afford to pay the 25% share, and that employer does not appear on the CSE list, you must contact Financial Aid and make sure that the employer can participate in CSE before making any kind of commitment to that employer.

13.2 Federal Perkins Loan Program

Federal Perkins Loans are awarded to students with exceptional need. The maximum Perkins award varies due to changes in the amount of available federal funding. The typical academic year award is \$3,000. Under no circumstances may the amount of Perkins Loan exceed \$8,000 per fiscal year. The interest rate for new borrowers under the Federal Perkins Loan program is a fixed 5 percent, with repayment beginning nine months after you cease attending at least half time. No origination or guarantee fees are charged on Perkins loans. There is a lifetime limit of \$40,000 of aggregate Perkins loan debt for graduate students (including any undergraduate Perkins loans). In order to receive Perkins funds at California Western, a student who has been awarded Perkins must:

- Complete the web-based Entrance Counseling session. This applies to all students receiving a Perkins loan for the first time at California Western School of Law.
- Complete a Perkins Loan Information Sheet.
- Sign and date a Federal Perkins Loan Promissory Note

Note: Federal Perkins Loan Funds will not be applied to your tuition account until you have completed a Perkins Loan Information Sheet, signed a Federal Perkins Loan Promissory Note, and have completed Entrance Counseling. These forms will be mailed to students who are awarded a Federal Perkins Loan. If you do not receive these forms by mail, you may complete them in the Financial Aid Office up to one week before classes start.

13.3 Federal Stafford Loan Program

The Federal Stafford Loan Program contains two components: the subsidized Stafford Loan, a federally subsidized, need-based loan, and the unsubsidized Stafford Loan, a non-need-based loan. The maximum amount that you may borrow under the Federal Stafford Loan Program is \$20,500 per academic year. Depending on your financial need, up to \$8,500 of the \$20,500 may be subsidized, with the remainder available as an unsubsidized Stafford Loan.

The terms of the two loans are almost identical. The interest rate on new Stafford loans is a fixed 6.8%. Fees from 0-4% of the loan amount may be charged by the lender and guarantor. Interest does not accrue on the subsidized Stafford Loan as long as the borrower maintains at least half-time attendance at an eligible institution or during the six-month grace period after such enrollment ceases. The unsubsidized Stafford Loan accrues interest during in-school, grace, and deferment periods, and that interest may be either capitalized or paid, at the student's option. If capitalized, most lenders will add the accrued interest to the principal loan amount when the loan enters repayment. Since this varies from lender to lender, we recommend that you consult your lender's loan materials regarding the way they will handle accrued interest.

13.4 Federal Plus Loan Program

Graduate students are allowed to borrow Federal PLUS loans on their own, without a parent borrower. These PLUS loans are sometimes referred to as Graduate PLUS loans. Federal PLUS loans have higher rates than Federal Stafford loans, but are expected to be cheaper than private loans in most cases.

PLUS loans have a fixed interest rate of 8.5%, and fees of 3-4% will be charged. Lenders may offer incentives that will decrease the interest rate, but a 3% loan fee is required by law. Students may borrow PLUS loans up to the school's cost of attendance minus other aid. There is no lifetime limit.

PLUS loans require that the borrower not have an adverse credit history. To this end, a lender will check a borrower's credit prior to approving a PLUS loan.

PLUS loans have up to a ten-year repayment period, and a minimum monthly payment of \$50. Repayment begins within 60 days, but payments can be deferred while a student is attending school at least half-time.

These loans provide additional loan funds to students who are otherwise unable to meet education-related expenses. We recommend that you consider all of your potential resources and evaluate your costs before applying for PLUS loan funds and try to borrow as little as possible. The maximum you can borrow under this program is your Cost of Attendance minus other aid. There are software resources available on lenders' websites and at www.finaid.org to assist you with creating a budget, projecting your student loan debt, and calculating the payments you will be required to make once you graduate.

NOTE: Borrowers must meet the lender's credit criteria; poor credit may be cause for denial of your PLUS Loan. The law school is not responsible for providing replacement funds should you be denied loans.

13.5 Private Loan Programs

Private loans, also known as alternative loans or commercial loans, are generally more expensive than federal loans such as the Stafford, PLUS, or Perkins Loans. Since the

government does not insure or subsidize private loans, lenders charge higher fees and/or charge a higher interest rate. In addition, private loan lenders require applicants to meet certain credit criteria and may require a cosigner. Most private loan programs allow you to borrow up to your Cost of Attendance minus other aid (scholarships, student loans, Federal Work-Study, veterans' education benefits, and so on). As with PLUS loans, private loans provide additional loan funds to students who are otherwise unable to meet education-related expenses; try to limit your borrowing as much as possible. There are many different private loan programs available to law students. To qualify for a private loan, you must meet the lender's eligibility criteria including their credit standards, which usually include a minimum credit score. Most private loan lenders offer loan pre-qualification, by phone or on their websites, to determine if you will be approved for their loans. If you want to review your credit report, you may request your credit report(s) at www.annualcreditreport.com.

NOTE: Borrowers must meet the lender's credit criteria; poor credit may be cause for denial of your private loan. The law school is not responsible for providing replacement funds should you be denied private loans.

14 REFUNDS

All students who withdraw, drop units, are academically dismissed, or take a Leave of Absence after classes begin, will have their tuition reassessed according to the Business Office policies and procedures. In addition, federal student loan recipients are subject to the Return of Title IV Funds policy if they withdraw, take a Leave of Absence, or cease to attend. This federally mandated policy applies to the Federal Stafford Loan Program, the Federal Perkins Loan Program, and the Federal PLUS Loan Program. Please refer to the Business Office Policies and Procedures for a full description of the federal refund policy and examples of how it is applied.

15 FINANCIAL AID OFFICE HOURS

The Financial Aid Office is normally open to students Monday through Friday from 8:00 a.m. to 4:00 p.m. Please be aware that the office occasionally closes for training sessions or staff meetings and often closes early before holidays. Notices of closing will be sent via email and posted as soon as possible so students may plan accordingly. Please be sure to watch for signs stating changes in hours at the Financial Aid Office counter.