Changes to Financial Aid for 2012-2013

FEDERAL

Pell lifetime eligibility
Effective July 1, 2012, the maximum number of years a student can receive a Pell Grant from any and all colleges is 6 years or 600%. This will apply to all applicants, including current and new Pell Grant recipients. The percentage is based on used or disbursed to not-awarded. Students who have already exceeded the 600% will no longer be eligible for the Federal Pell Grant.

Minimum Pell and Maximum EFC
There is a change in the minimum Federal Pell Grant award calculation. The new law establishes the minimum Federal Pell Grant award for a student at ten percent of the maximum award amount for the award year. For 2012-2013 student will not receive a Federal Pell Grant if they are not eligible for at least ten percent of the maximum award for the academic year.

Ability to Benefit
Effective July 1, 2012, new students who do not have a standard high school diploma or GED will not be eligible for a Pell Grant or any other Title IV aid, including a student loan. Current students without a standard high school diploma or GED who have received aid under the Ability-to-Benefit provision of the federal regulations will be allowed to continue to receive financial assistance.

Verification of income
Effective with 2012-2013 award year, the ONLY verification acceptable for taxable income is IRS data. Copies of tax returns can no longer be used as income verification. Verification of Food Stamps (SNAP) received and child support paid is also a new requirement.

Elimination of the Interest Subsidy for Direct Loans during the Grace Period
For new loans first disbursed on or after July 1, 2012 through June 30, 2014, the federal government will no longer subsidize (pay) the student loan interest during the six month grace period. The grace period is the time between when the student graduates or drops below half-time status and the time when the student must start repaying the loan.
STATE

BOG C EFC threshold
The new difference between Cost of Attendance and EFC for BOG eligibility in 2012/2013 is now $1,104, instead of $1 previously used. Need is determined by subtracting the Estimated Family Contribution (EFC) from the full year Cost of Attendance (COA) or Student Budget. The formula is COA minus EFC equals Need which must be $1,104 or greater.

Dream Act

BOG A/B/C
Students admitted under AB540 become eligible to apply for BOG Fee Waivers January 2013. These applicants will use the California Dream Application (Dream App) to apply for financial aid. More information is available at the Dream Act web page.

Cal Grant
Students admitted under AB540 become eligible to apply for Cal Grant January 2013 with a Cal Grant deadline of March 2, 2012 for 13-14. These applicants will also use the Dream App.