Furlough Closures

In accordance with University of California Furlough Requirements, the Financial Aid Office will be closed on the first and third Friday of each month (with the exception of December) during the 2009-2010 academic year. Front desk and phone services will be closed on the following dates:

- April 2 and 16
- May 7 and 21
- June 4 and 18
- July 2 and 16
- August 6 and 20

We understand these closures will cause some minor inconveniences and the Financial Aid Office appreciates your patience and understanding during these mandated furlough days.

From the Desk of the Director

Dear UCSB Families,

Whether it is the University of California as a whole or your average Californian family, the turbulent economy has affected everyone. We have all had to make adjustments and changes to the way we live and operate. Financial aid offices are no exception. Across the nation we are feeling the pinch as we look for ways to process record numbers of applications and spread limited resources to more students than ever before.

The UCSB Financial Aid Office would like to share some of the ways our families can navigate the application process more efficiently and ensure they do not make mistakes that could potentially cause them to lose out on funding.

1. Review the UCSB Financial Aid Website: Our website can be found at www.finaid.ucsb.edu. There is a wealth of information on our website and it is updated on a weekly basis. Students and parents should make it a point to review the bulletins section weekly to ensure they do not miss out on any important information.

2. Respond to Requests Immediately: In many cases, families that filed a 2010-2011 FAFSA will be asked to submit additional documentation to verify the information they provided on the FAFSA. It is important to return all requested documents to our office in a timely manner. The UCSB Financial Aid Office will process nearly 16,000 financial aid applications this year, so we advise families to be as proactive as possible. Don’t procrastinate; missing the deadline to submit documents could result in the loss of certain types of aid.

3. Read Directions Carefully: The number one reason for delays in the application process is incomplete information supplied on requested documents. Most of these delays are caused by minor mistakes that could be eliminated by referring to the directions provided on the requested documents.

4. Ask Questions: The UCSB Financial Aid staff is available to answer your questions and help you determine how you will fund the most important investment of your lifetime, a college education. Drop by or call our office with any questions you may have.

5. All financial aid recipients should register for eRefund with the BARC Office. Using eRefund will allow students to access their financial aid refunds (if applicable) four to five days sooner than a paper check.

While we expect to serve more students than ever before in 2010-2011, we expect that these five simple and easy tips will help you complete the application process as efficiently as possible.

The Financial Aid Office staff would like to congratulate our 2010 graduates and welcome the new incoming class. We look forward to working with you all in the future. Please let us know if we can be of any assistance.

Regards,

Michael M. Miller
Acting Director, Financial Aid

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**APRIL**

13 - Summer Financial Aid Application Available
16 - Spring Census Date

**MAY**

28 - Summer Financial Aid Application Priority Deadline

**JUNE**

11 - Spring Quarter Ends
21 - Summer Session Starts
30 - Summer Financial Aid Application/Revision Deadline

**JULY**

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**UNIVERSITY OF CALIFORNIA**

SANTA BARBARA
Summer Session is an excellent opportunity to get ahead in units for your major, or to catch up on required courses you may have missed during the academic year. The Financial Aid Office is here to guide you through the application process and answer any questions or concerns that you may have. In addition to guiding you through the application process, we want to make sure you are aware of some important dates in order to maximize your financial aid eligibility for the 2010 Summer Session.

How does the application process work?

In order to apply for summer financial aid, you must have a completed financial aid file at UCSB, including a 2009-2010 Free Application for Federal Student Aid (FAFSA). Summer is considered the last quarter in the academic year; therefore, the 2009-2010 FAFSA must be on file. If you have not already done so please complete a 2009-2010 FAFSA at www.fafsa.gov as soon as possible.

The Summer Session Application will be available on the Financial Aid website on April 13, 2010. The priority filing deadline for this application is May 28, 2010. It is important that you submit your application by this date in order to be considered for University Grant in your Summer Award Letter. You may still submit the application until June 30, 2010, but your aid will be limited. Log on to My Aid Status and select “Summer Session Application.” We will base your financial aid award on the number of units and number of sessions you plan to take. Thus it is critical that you provide accurate summer enrollment information.

What are the fees for the summer session and what is included in the budget?

The summer session fees for undergraduates are $229 per unit plus a campus based fee of $321. The summer session fees for graduate students are $286 per unit with a campus-based fee of $127. Your budget will include an adjustment for books and living expenses.

Example of a summer budget for an undergraduate student:

- If you are enrolled in 6 weeks and 6 units, the budget will be $4,431.
- If you are enrolled in 12 weeks and 12 units, the budget will be $8,541

If you need more information on the fees, please visit the Summer Session website www.summer.ucsb.edu

Who is eligible for summer financial aid?

Financial Aid is available to all continuing and returning degree-seeking UCSB students who are in good academic standing. This includes all of the following:

- Undergraduate and Graduate Students
- Incoming Freshmen and Transfer students
- Graduate students who are enrolled in the Summer Language Institute Program
- Graduate students who are enrolled in the Teacher Education Program

Unfortunately, there are some students that are not eligible for summer financial aid. This includes:

- Students who were academically dismissed prior to Spring quarter 2010
- Non-UCSB students as determined by the UCSB office of the Registrar

What types of aid are available for summer?

Federal Pell Grant – Pell grant assistance is available to students in Summer Session for the first time. Students who received a Pell Grant during the 2009-2010 academic year will qualify for an additional summer Pell Grant. Pell Grant recipients can maximize their awards by attending full-time (12 units). Pell Grant amounts are determined based on enrollment. If you enroll in less than full-time, your Pell Grant will be reduced.

CONT’D, PAGE 3
SUMMER, CONT’D

Summer UC Grant – University grant is available to eligible undergraduate students who have financial need and apply for the Financial Aid Summer Session Application by the priority deadline of **May 28, 2010**. The maximum UC Grant for Summer 2010 is $1600.

Federal Direct Loans and Federal PLUS Loans – Federal loans are available to all enrolled students, both graduate and undergraduate. The amount available for summer is based on your remaining eligibility for the 2009-2010 academic year. For example, if you are a junior and borrowed $2000 of your grade level maximum of $7500, then you may receive up to $5500 for the summer term to cover your cost budget.

Can I get financial aid for special programs?

Yes, financial aid is available for the following special programs: The Education Abroad Program (EAP); the Freshman Summer Start Program (FSSP); UC Washington Program (UCDC); Blue Horizons; Summer Language Institute Program (SLI); Junior Transitions Program; Querétaro, Mexico; Procida, Italy; Athens and Paros, Greece; and Ephesos, Turkey.

Also, if you plan on attending another UC during the summer, you will be able to receive the same amount of aid that you would receive if you were attending UCSB. You can also receive financial aid if you plan to attend another university outside of the UC system, or if you plan to enroll in a program based in the U.S. that allows you to attend classes abroad. These are known as “Consortium Agreements.” If you plan to attend another UC, university, or program you must complete a Consortium Agreement with our office. These forms will be available on **April 13, 2010**. If you have any questions regarding the special programs, attending another university, or about programs not listed, please contact our office.

Summer Tutorials

We are pleased to provide a summer tutorial for all students and/or parents who need assistance with filing their Summer Session Application. This summer session tutorial can be a great tool as it navigates through the application and provides important summer session information. This tutorial will be available in mid-May on the Financial Aid Website under Video/Audio Presentations.

We hope you find this information helpful. Please feel free to stop by our office or call to inquire about your financial aid options for the 2010 Summer Session.

For more information on UCSB Summer Session, visit their website at [www.summer.ucsb.edu](http://www.summer.ucsb.edu).

Student Loan Reform Bill

Like many Americans, you have likely been tracking the new Student Loan Reform Bill that was attached to the Health Care Reform Bill, and may be wondering how it will impact you as a current college student. The legislation generates $61 billion in savings by streamlining student loan programs and reinvesting the money to make college more affordable to needy students. It will also help reduce the federal budget deficit.

The federal Stafford Loan program is strong and will continue to be a reliable resource for students. The streamlining of the program means that in the future all of these loans will be administered through the Direct Stafford Loan Program. As a UCSB student, you will not notice a difference as UCSB has been participating in the Direct Loan Program for many years.

Additionally, the legislation ties annual Pell Grant increases to the consumer price index beginning in 2013. This will provide a minimum base that Congress will hopefully consistently exceed in order to assist needy students. Aside from making college more affordable and reducing students’ need to borrow, Pell Grants also stimulate local economies by helping students pay for textbooks, food, rent, gas, and other necessities in addition to tuition and fees.

The legislation also expands the Income-Based Repayment (IBR) program for borrowers who take out their first federal student loan after 2014. These borrowers will not have to spend more than 10 percent of their discretionary income on student loans, and responsible borrowers who make 20 years of payments will have any remaining debt forgiven. (Current law caps IBR payments at 15 percent of discretionary income and forgives remaining debt after 25 years.)
How do I qualify?
If you or your parents earn less than $180,000 a year ($90,000 for single-filers) and you’re enrolled as an undergraduate at UC at least half time, you may qualify. If your parents claim you as a dependent on their tax return, your parents get the credit. You may be able to claim the Lifetime Learning Tax Credit if you don’t qualify for the American Opportunity Tax Credit.

How much will I get?
The maximum credit is $2,500. If your tax liability is less than that, you’ll get a credit up to what you owe or $1,000, whichever is more. The dollar value of the credit is gradually reduced for taxpayers whose incomes are $80,000–$90,000 (single filers) and $160,000–$180,000 (couples filing jointly).

What educational expenses qualify?
Qualified expenses include tuition, fees, course materials and textbooks. Not included are room and board, student activity fees, health insurance premiums, equipment, transportation or other personal living expenses. You must subtract from your qualifying expenses all non-taxable grants and scholarships you received during the year.

How do I get the credit?
You (or your parents) claim the credit on your federal income tax return. In February 2010, you should have received your copy of the IRS “Tuition Statement” form, or 1098-T; it will show your UC fees and your grants and scholarships. You may find it useful in calculating your eligibility for the tax credit. If you’re a dependent student, be sure to give the 1098-T to your parents so they can get the credit, and save all receipts for qualified expenses for your records.

Can I get the credit if I use loans to pay for school?
Yes. Qualified expenses paid with student or parent loans are eligible for this tax credit.

Can I claim the credit if I have a 529 plan?
If you plan on claiming the credit, the tax-free portion of 529 college savings plans, 529 “prepaid” tuition plans and Coverdell Educational Savings Accounts can’t be used to pay for qualifying expenses. In other words, you can use those funds for room and board, but not fees and books.

Any other limitations?
You can’t use any of the following sources of cash to pay for the portion of the qualified expenses used as the basis for claiming the credit: tax-free scholarships or grants, Pell Grants, employer-provided educational assistance, veterans’ educational assistance and other tax-free payments received as educational assistance.

My parents have two children in college. Can they claim the credit for each of them?
Yes, provided both students are undergraduates enrolled at an eligible institution at least half time in the first four years of a program leading to a degree or certificate.

For more information:
Internal Revenue Service: www.irs.gov*
UC Tax Credit Reporting Service: www.1098T.com or 877.467.3821
Guide to Financial Aid: www.finaid.org
* search for American Opportunity Credit and/or IRS Publication 970

We Protect Your Identity And Right To Privacy!
Parents do not have automatic access to your financial aid information.

As a student at the University of California, Santa Barbara, the confidentiality of your student financial aid information is protected in accordance with the Federal Family Educational Rights and Privacy Act (FERPA) of 1974 and UC Santa Barbara Policy and Procedure “Student Education Records – Disclosure of Information” issued March 2004 (available from the UCSB Registrar).

Providing access to student financial aid records or information contained in these records to unauthorized persons is also prohibited. Your information cannot be disclosed to other third parties (parent, spouse, sibling, friend, landlord, associate, etc.) without your expressed written consent.

If you wish to grant access to your parents or another third party, you must complete the 2010-2011 Student Consent to Release UCSB Financial Aid Information to a Designated Third Party Form. This form is available for download on the Financial Aid Office web site under the Forms section or by clicking here: http://www.finaid.ucsb.edu/Forms/1011/StudentConsentToReleaseInformation.pdf

FINANCIAL AID, UC SANTA BARBARA  WWW.FINAID.UCSB.EDU
Direct Loan Servicing

Loan Repayment

With the hustle and bustle of spring and the excitement of planning for life after college life, student loan repayment plans are often pushed to the back burner. Investing in your education is likely the best investment you will ever make, but it is important to plan for the repayment of your loans.

Below is a summary of information to help you decide which repayment plan will work best for you and whether or not loan consolidation is an option for you. The most important piece of advice the Financial Aid Office can give you is to work with the Direct Loan Servicing Center regardless of your circumstances.

If you are unable to make your full loan payment when your grace period ends, plan ahead and call them (1-888-447-4460) to determine what options you may have.

Leaving school: graduating, withdrawing, or dropping below half-time

When you graduate, withdraw, or drop below half time, you’ll receive a 6-month grace period (see below) on your Direct Subsidized and Unsubsidized Loans during which you are not required to make payments. You must begin repayment at the end of your grace period.

Grace periods for Direct loans

When you graduate, drop below half-time, or withdraw from your academic program, you will receive a 6-month grace period for your Direct Subsidized and Unsubsidized Loans.

Your grace period begins the day after you stop attending school or drop below half-time enrollment. Once your grace period ends, you must begin paying your loan(s).

If you re-enroll in school at least half time before the end of your 6-month grace period, you will receive the full 6-month grace period again when you stop attending school or drop below half-time enrollment. However, if you have an in-school deferment on a Direct Subsidized or Unsubsidized Loan that entered repayment before you returned to school, you will be required to immediately begin making payments on the loan once you fall below half time. This is because the 6-month grace period was already used up before you re-entered school; there is no second grace period.

Make sure that both your school and the Direct Loan Servicing Center know that you are no longer enrolled. If you don’t begin making payments when required, there is the possibility that you will lose repayment incentives you may have received and possibly go into default.

Grace periods for Direct PLUS loans

Traditionally, there is no grace period for Direct PLUS Loans taken by a parent—the repayment period for each Direct PLUS Loan you receive begins 60 days after your school makes the last disbursement of the loan. However, if you’re a graduate or professional student who borrowed a Graduate PLUS loan (or if you’re a parent PLUS borrower who is also a student), you can defer repayment while you’re enrolled in school at least half time and (for Direct PLUS Loans first disbursed on or after July 1, 2008) for an additional 6 months after you graduate or drop below half-time enrollment.

If you’re a parent PLUS borrower, you can defer repayment of Direct PLUS Loans first disbursed on or after July 1, 2008, while the student for whom you obtained the loan is enrolled at least half time, and for an additional 6 months after the student graduates or drops below half-time enrollment.

Remember, if you choose to defer payment on a Direct PLUS Loan, any interest that accumulates during the deferment period will be added to the unpaid principal amount of your loan. This is called “capitalization,” and it increases your debt because you’ll have to pay interest on this higher principal balance.

Repayment plans

The Direct Loan Program offers loan repayment plans designed to meet the needs of almost every borrower. Direct Loans are funded by the U.S. Department of Education through your school and are managed by the Direct Loan Servicing Center, under the supervision of the Department. The Direct Loan Program allows you to choose your repayment plan and to switch your plan if your needs change.

If you currently have a Direct Loan and would like the exact payment amount on your loan, you can look it up online on the Direct Loan Servicing Center website or you can call the center at 1-888-447-4460.

Direct PLUS Loan borrowers may only choose from the standard, extended, or graduated options. However, beginning July 1, 2009, student Direct PLUS Loan borrowers may choose the income contingent repayment plan or the income-based repayment plan.

Standard Repayment

With the standard plan, you’ll pay a fixed amount each month until your loans are paid in full. Your monthly payments will be at least $50, and you’ll have up to 10 years to repay your loans. The standard plan is good for you if you can handle higher monthly payments because you’ll repay your loans more quickly. Your monthly payment under the standard plan may be higher than it would be under the other plans because your loans will be repaid in the shortest time. For the same reason - the 10-year
Extended Repayment

To be eligible for the extended plan, you must have more than $30,000 in Direct Loan debt and you must not have an outstanding balance on a Direct Loan as of October 7, 1998. Under the extended plan you have 25 years for repayment and two payment options: fixed or graduated. Fixed payments are the same amount each month, as with the standard plan, while graduated payments start low and increase every two years, as with the graduated plan below.

This is a good plan if you will need to make smaller monthly payments. Because the repayment period will be 25 years, your monthly payments will be less than with the standard plan. However, you may pay more in interest because you're taking longer to repay the loans. Remember that the longer your loans are in repayment, the more interest you will pay.

Graduated Repayment

With this plan your payments start out low and increase every two years. The length of your repayment period will be up to ten years. If you expect your income to increase steadily over time, this plan may be right for you. Your monthly payment will never be less than the amount of interest that accrues between payments. Although your monthly payment will gradually increase, no single payment under this plan will be more than three times greater than any other payment.

Income Contingent Repayment

(not available for parent PLUS loans)

This plan gives you the flexibility to meet your Direct Loan obligations without causing undue financial hardship. Each year, your monthly payments will be calculated on the basis of your adjusted gross income (AGI, plus your spouse's income if you're married), family size, and the total amount of your Direct Loans. Under the ICR plan you will pay each month the lesser of:

1. The amount you would pay if you repaid your loan in 12 years multiplied by an income percentage factor that varies with your annual income, or
2. 20% of your monthly discretionary income.

If your payments are not large enough to cover the interest that has accumulated on your loans, the unpaid amount will be capitalized once each year. However, capitalization will not exceed 10 percent of the original amount you owed when you entered repayment. Interest will continue to accumulate but will no longer be capitalized.

The maximum repayment period is 25 years. If you haven't fully repaid your loans after 25 years (time spent in deferment or forbearance does not count) under this plan, the unpaid portion will be discharged. You may, however, have to pay taxes on the amount that is discharged.

Income-based Repayment

The IBR Plan bases your monthly payment on your yearly income and you must have a partial financial hardship to enroll. This plan is an alternative to the Income Contingent Repayment (ICR) Plan and is designed to make repaying education loans easier for students who intend to pursue jobs with lower salaries, such as careers in public service. It does this by capping the monthly payments at 15 percent of your discretionary income (the difference between your Adjusted Gross Income and 150% of the poverty guideline for your family size and state of residence). If you are married and file taxes jointly, both your and your spouse's income will be considered when calculating your IBR payment amount. If you are married AND file taxes separately, only your income will be considered. Like ICR, after 25 years of qualifying repayment, any remaining balance on the loan will be forgiven, but you may have to pay taxes on the amount forgiven.

To participate in the IBR Plan, you must authorize the U.S. Internal Revenue Service (IRS) to inform the U.S. Department of Education (ED) of the amount of your income. If you request the IBR Plan, we will send you a form for you (and your spouse if applicable) to sign and mail to us to provide this authorization.

The IBR Plan is available for all your Direct Loan(s), including PLUS Loan(s), except any Direct PLUS Loan(s) made to parent borrowers and/or Direct Consolidation Loan(s) that repaid PLUS Loans made to parent borrowers. If you have these loan types, you must repay them under another eligible repayment plan, even if you select IBR for your other Direct Loan(s).

Public Service Loan Forgiveness Program

The Public Service Loan Forgiveness (PSLF) Program was established to encourage individuals to enter and continue in full-time public service employment by forgiving the remaining balance of their Direct Loans after the borrower has made 120 qualifying monthly payments (beginning anytime after October 1, 2007) while employed full-time by a public service organization. (February 3, 2010)

For additional information on this new program, visit: https://www.dl.ed.gov/borrower/QCNews.do

Consolidation

If you have multiple federal education loans, you can consolidate them into a single Direct Consolidation Loan. This may simplify repayment if you are currently making separate loan payments to different loan holders, as you'll only have one monthly payment to make. There may be tradeoffs, however, so you'll want to learn about the advantages and possible disadvantages of consolidation before you consolidate. To learn more, visit the Direct Consolidation Loan website.

Direct Loan Servicing

WWW.FINAID.UCSB.EDU
Veterans Benefits

More veterans and their families are returning to college after the recent passing of the Post-911 GI Bill because of its comprehensive tuition, book, and housing benefits. Eligible veterans and dependents of veterans are entitled to tuition and fee payments (up to the maximum in-state tuition), a monthly housing stipend and a $1000 annual book stipend. Veterans are entitled to all or a percentage of these benefits based on their time in service and may also have the option of transferring their benefits to spouses and dependents.

The Post-911 GI Bill is another addition to the numerous federal veteran benefits that are available to Veterans and their dependents depending on their active duty, reserve and/or disability status. As of September 2009, these federal veteran benefits are also no longer included in Financial Aid cost of attendance calculations. This means that students are now eligible for a complete Financial Aid award package in addition to their federal veteran benefits.

Dependents of Veteran California residents may also be eligible to receive the Veteran’s California Tuition Fee Waiver which entitles them to a mandatory waiver of systemwide tuition and fees at any State of California Community College, California State University or University of California campus.

Students who believe they may be eligible for federal Veteran’s benefits must apply at the Department of Veteran’s Affairs website at www.va.gov. Students applying for Veteran’s California Tuition Fee Waivers must go to www.cdva.ca.gov.

For more information about Veterans benefits here at UCSB please contact Gina Funderburgh in the Registrar’s Office at (805)893-8905 or Jami Dow in the Financial Aid Office at (805)893-2616.

Dear UC Santa Barbara Students:

I'm delighted that you have made UC Santa Barbara your academic home. We recognize that our students help make our campus the vibrant community that it is, and we truly appreciate your many contributions to this unique living and learning environment.

We are committed to providing all our students with the best education possible. And even in these uncertain economic times, we remain steadfast in our commitment to try to keep a UC Santa Barbara education as affordable as possible. We recognize that you now bear the burden of rising costs and fee hikes, but it's extremely important that you know that our campus and the UC system now have even more opportunities to obtain financial aid than in the past.

Under UC’s new Blue and Gold Opportunity Plan, if you are eligible and your family income is below $70,000, you will pay no systemwide UC fees in 2010-11. Your fees will be covered by scholarships and grants. To learn more about the Blue and Gold plan, visit the UCSB Financial Aid Office’s Web site at www.finaid.ucsb.edu or see www.universityofcalifornia.edu/blueandgold.

Even if your family’s income is above the $70,000 threshold, you may be eligible for other grants and scholarships. This year, more than $1 billion in grants and scholarships will be awarded to undergraduates in the UC system. These funds will help more than half of all UC families finance a University of California education.

To ensure that you get the financial aid that you are entitled to, you need to be sure to do your part. The first and among the most important steps to take is to file a Free Application for Federal Student Aid, or FAFSA, by the March 2 deadline. I urge every UC Santa Barbara student to complete this free online application. It is the gateway to all financial aid, including most UC scholarships and low-interest loans. On its Web site, our own UCSB Financial Aid Office has an excellent online tutorial that will help you complete the application in seven easy steps. The application itself can be found at www.fafsa.gov.

Also, your family should try to take full advantage of the American Opportunity Tax Credit for couples with adjusted gross incomes of up to $180,000 ($90,000 for single filers). This credit will directly reduce their tax bill, providing up to $2,500 to help cover your college expenses. More information is available at the IRS Web site at www.irs.gov/newsroom/article/0, id=211309,00.html.

A UC Santa Barbara education is one of the best investments you and your family will ever make. It will provide many educational, financial, social, and personal returns in the years to come. We are here to help you qualify for the financial assistance that you may need to help complete your education here. I urge you to take the steps outlined above to ensure that you receive the financial aid you are entitled to.

Sincerely,

Henry T. Yang
Chancellor