



Federal Student Financial Aid

Financial Aid is monies available through the federal government for education purposes. The following section provides information pertaining to eligibility, types of federal aid, disbursement, applying for aid, and awarding.

Federal Financial Aid Participation

Douglas J Aveda Institute participates in federal financial aid programs. To be eligible for financial aid, a student must be: a citizen of the United States or an eligible non-citizen; enrolled as a regular student in an eligible program; and be beyond compulsory school age and/or possess a valid high school diploma or equivalent. In addition, participants must have a valid social security number and cannot be in default or overpayment on a federal loan/Pell. Male participant must meet selective service criteria.

To remain eligible for financial aid, students must demonstrate satisfactory academic progress at the end of each payment period. Failure to meet satisfactory academic progress may result in a loss of financial aid. Applicants are encouraged to obtain a copy of the federal publication *Funding Your Education*, from the Admissions Department for further explanation of eligibility criteria and to visit <http://studentaid.ed.gov/eligibility>.

Applying for Financial Aid

The Free Application for Federal Student Aid (FAFSA) is the application for all federal financial aid. Students interested in financial aid must submit a FAFSA. This form establishes eligibility for assistance from most federal and State financial aid programs and Douglas J Aveda Institute. Students may complete the FAFSA at www.FAFSA.ed.gov. The FAFSA is also available from the Financial Aid Department, High School Counselors, and most libraries.

Parents of dependent students may choose to apply for additional educational loans either through separate federal financial aid applications or private party. Students may choose to apply for private education loans as well. Interested parties should contact the Financial Aid Department for more information.

Determination of Awards

Most aid dollars are awarded on the basis of a Congressional formula, called "the need analysis", which measures each family's ability to pay educational expenses. The formula takes into account factors such as family income and assets, family size, non-discretionary family expenses, retirement needs, student earnings and savings, and the number of household members in college. The formulas used for measuring a family's ability to contribute to educational expenses are established by the U.S. Congress, not Douglas J Aveda Institute. Changes to the formulas can only be made by Congress.

Note: Douglas J Aveda Institute (the Institute) as written in this document refers to the following locations, unless otherwise stated:
Douglas J Aveda Institute Michigan Locations – Ann Arbor, East Lansing, Grand Rapids, Royal Oak
Douglas J Aveda Institute Tennessee Locations--Knoxville
Douglas J Aveda Institute Chicago

A student's eligibility for financial aid is generally based on financial need. Financial need is defined as the difference between the student's cost of attendance (COA) budget and the expected family contribution (EFC), as calculated using the Congressional Formulas.

The COA budget is set by Douglas J Aveda Institute and includes direct costs (tuition and fees) and indirect costs (kit, room and board, transportation, and personal expenses). Budgets are created for different categories of students based on the program of study and living arrangements. The budget amount is not the amount the student owes the school for charges. Douglas J Aveda Institute has established the following weekly allowances for indirect costs included in the student budgets.

- Room and board for students living with parents \$136.00
- Room and board for students not living with parents \$272.00
- Transportation \$140.00
- Personal Expenses \$88.00

Loan awards are limited by dependency status. In cases of unusual circumstance, Financial Aid Coordinators may apply professional judgment on a case by case basis with additional documentation.

Student Rights and Responsibilities

As a recipient of federal financial aid, a student has certain rights and responsibilities. Knowing these rights and responsibilities allows the student to make better decisions about educational goals and how to achieve them. These rights and responsibilities are outlined in both the *Entrance Counseling* and *Exit Counseling* Guides published by the Dept. of Education. A copy of the *Exit Counseling Guide* is available at <http://www.direct.ed.gov/pubs/exitcounselguide.pdf>

Federal Sources of Aid

Federal Pell Grant

Federal Pell Grants do not require repayment and are considered 'need based' awards. To apply, applicants must submit a Free Application for Federal Student Aid (FAFSA). Information from the FAFSA determines the Expected Family Contribution (EFC) which relates directly to the maximum amount of Pell grant a student may receive in an award year. The final Pell award is determined by a combination of factors including length of program, Cost of Attendance, EFC, and lifetime Pell usage.

Applicants may visit www.fafsa.ed.gov to submit their FAFSA.

Federal Direct Student Loan (subsidized and unsubsidized)

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Federal Stafford loans are not credit based and must be paid back to avoid severe consequences of going into default. Both subsidized and unsubsidized loans apply loan fees and a fixed interest rate to the principle as well as a six (6) month grace period before mandated repayment begins. There are a variety of repayment plans to choose from, assistance from a servicer to help manage your loan and no penalty for early payoff. Only the subsidized loan is considered a 'need based' loan (Please see 'Determination of Awards' for details on 'need based' awards)

More detail on federal loan types, terms and conditions, repayment plans and sample repayment schedules can be found on <http://www.direct.ed.gov>, <http://www.direct.ed.gov/RepayCalc/dlindex2.html>, <http://www.direct.ed.gov/calc.html>, <http://www.direct.ed.gov/pubs/exitcounselguide.pdf>, <http://www.direct.ed.gov/applying.html>, <http://studentaid.ed.gov/types/loans>

To apply for a student loan, applicants must submit a FAFSA. Loan eligibility requires signing a Master Promissory Note and completing mandated loan counseling prior to disbursement. Both items are available by going to <http://studentloans.gov>.

The amount of the student loan is based upon loan type, Cost of Attendance (COA), Expected Family Contribution (EFC), the length of the program, dependency status, federal loan history and grade level. The Financial Aid Department is responsible for determining loan awards. . For general information on loan limits please visit <http://www.direct.ed.gov/applying.html>

As required by federal regulation, Douglas J Aveda Institute will notify the National Student Loan Data System of the student's contract for federal student loans whereby such information may be accessed by authorized agencies, lenders and institutions.

For more information, please ask the Admissions or Financial Aid Department for a copy of the USDOE brochure 'Direct Loan Basics for Students' or visit <http://studentaid.ed.gov>.

Federal Direct Parent Loans for Undergraduate Students (PLUS)

The PLUS loan is a loan that must be paid back. Borrowers are restricted to biological/adoptive parents of eligible dependent students. PLUS loans are credit based which require the parent to provide authorization for a credit check. Once approved, the PLUS borrower must sign a Master Promissory Note (MPN) prior to disbursement and provide the Financial Aid Office with a written loan amount request. Parents may submit the credit authorization through the Financial Aid Coordinator or on line. Both the credit authorization and MPN can be accessed at <http://studentloans.gov>.

The maximum PLUS loan is determined by subtracting all anticipated aid from the COA then prorate the amount according to the length of the program. For more information on PLUS loans and PLUS loan

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eligibility, please read the USDOE publication 'Direct Loan Basics for Parents' available through the Admissions or Financial Aid office or visit <http://studentaid.ed.gov/types/loans>.

As required by federal regulation, Douglas J Aveda Institute will notify the National Student Loan Data System of the parent's contract for a federal PLUS loan whereby such information may be accessed by authorized agencies, lenders and institutions

Campus Based Federal Aid

At present, Douglas J Aveda Institute does not participate in Campus Based federal financial aid.

Other Sources of Financial Assistance

Douglas J occasionally holds scholarship events for prospective students. Scholarship winners are responsible for paying all other fees incurred during their program, including application and kit fees. Students are also encouraged to seek scholarships from outside sources. For more detailed information please contact a Financial Aid and Compliance Coordinator or the Institute Director.

Disbursement of Title IV Financial Aid

Federal funds are received electronically. By federal regulation, financial aid is divided and disbursed in payment periods. The initial disbursement is usually credited to the student's account within 30 days of the program start. Subsequent disbursements occur after the student completes the payment periods listed below, attends the next scheduled payment period and demonstrates Satisfactory Academic Progress (SAP) as discussed elsewhere in this catalog. Completion of payment periods is determined in actual clock hours attended.

Payment period end dates are as follows:

- Cosmetology: 450, 900, 1200 actual hours,
- Esthology: At the half way point of total hours in the program.

Financial Aid Credit Balance

Credit balances occur when the amount of the student's financial aid received exceeds the student's tuition and fees owed to the school for each academic year. Credit balance checks payable to the student are written and mailed within a timely manner to the campus then hand delivered to the student. PLUS credit balance checks are made payable to the parent and mailed to the parent's address.

On occasion, student checks may be mailed to the student's mailing address on file. **Students and parents must keep their addresses current with their campus' Admissions or Financial Aid Coordinator.**

Credit balance checks may not be picked up at the corporate offices.

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