

# M Office of Financial Aid (OFA)

OFA Central Campus Office  
and Mailing Address:  
2011 Student Activities Building  
North Campus:  
B430 Pierpont Commons

# NEWSLETTER

This and other financial aid newsletters are available on the web at [www.finaid.umich.edu](http://www.finaid.umich.edu)

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## Fall/Winter Aid 2005-2006: File Your FAFSA by February 15, 2005

Continuing U-M students applying for Fall/Winter 2005-2006 financial aid must submit a 2005-2006 Free Application for Federal Student Aid (FAFSA), available at [www.fafsa.ed.gov](http://www.fafsa.ed.gov), to the federal processor by **February 15, 2005** to be considered for all aid programs including state aid and U-M grant aid. This will also allow enough time for the federal processor to generate and send the resulting record to our office by the April 30, 2005 priority filing date. For those families who have not filed tax returns for 2004 or will request an extension for filing 2004 tax returns, we strongly urge you to complete the FAFSA now using estimated data so that you can comply with the suggested filing date of February 15. If necessary, estimated data can be corrected later after your 2004 tax returns are completed. NOTE: You must submit your FAFSA by February 15 AND, if you are requested to submit additional application items to the Office of Financial Aid (such as copies of federal tax returns, etc.), we must receive these additional items by May 31, 2005 to consider you for all aid programs.

VERY LITTLE, IF ANY, GRANT FUNDS WILL BE AVAILABLE FOR STUDENTS WHO DO NOT MEET THESE DEADLINE DATES.

You may submit the FAFSA later, however, funding may not be available for all aid programs. See [www.finaid.umich.edu/forms/apply0506](http://www.finaid.umich.edu/forms/apply0506) for complete application instructions.

## NEW! Electronic 2005-2006 Award Notification

You will receive an **email message** to your umich email account when you have a Fall/Winter financial aid award notice available to view/print on **Wolverine Access** (<https://wolverineaccess.umich.edu>). We will begin notifying students in May.

If you are required to submit additional application materials, you will be notified by email. The email will direct you to the **View Financial Aid Document Status** page of Wolverine Access, which will provide links to PDF documents for you to print, complete, and submit to our office. All additional application materials must be received by our office by May 31, 2005 to consider you for all aid programs.

In March, you will be able to **authorize a "Friend" account for your parents** so that they may view/print your award notice and additional requested documents. See our website in March for more information.

## Spring/Summer 2005 Financial Aid Information

### Important Spring/Summer Dates

**March 9, 2005**

The first priority deadline for Spring/Summer aid applications. For complete instructions see [www.finaid.umich.edu/forms/ssrff05](http://www.finaid.umich.edu/forms/ssrff05).

**Late March 2005**

The Office of Financial Aid will begin emailing Spring/Summer award notifications.

**May 20, 2005**

Final date to apply for Spring term financial aid.\*

**July 22, 2005**

Final date to apply for Summer term and the combined Spring/Summer term financial aid.\*

\*Only limited funds will be available for applicants who do not meet the March 9 priority deadline.

★ Be sure to register for Spring/Summer classes during your appointed enrollment time. You will not receive a financial aid award notification until you register! If you will enroll in Spring **and** Summer term classes, you must enroll for both terms during your appointed enrollment time to be considered for aid for both terms.

### NEW! Electronic Award Notification

You will receive an **email message** to your umich email account when you have a Spring/Summer financial aid award notice available to view/print on **Wolverine Access** (<https://wolverineaccess.umich.edu>). In March, you will be able to authorize a "Friend" account for you parents so that they may view/print your award notice. See our website in March for information.



### Receiving Your Financial Aid (Disbursement)

Grant aid, Federal Perkins Loan, and Federal Direct Loan funds will be applied against charges on your student account; any excess amount (called a refund) is sent to you as a check to your local address. If you have direct deposit, your refund will be deposited directly into your bank account. If you have not made arrangements for direct deposit, print a Direct Deposit Authorization Form from the Payroll Office website: [www.umich.edu/~payroll/formreq.html](http://www.umich.edu/~payroll/formreq.html).

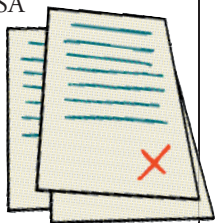
### Disbursement Dates

Spring/Summer funds are scheduled to be available to students on these dates:

SPRING TERM	SUMMER TERM
May 2, 2005	June 27, 2005

## Your Student Aid Report (SAR)

Once you submit your FAFSA to the federal processor, your information will be reviewed, your Expected Family Contribution (EFC) will be calculated, and a record of this information will be sent to our office for further review. You will also receive a record of your FAFSA information called a Student Aid Report (SAR). The federal processor will either mail you a printed SAR or send you an email message notifying you how to access your SAR online at [www.fafsa.ed.gov/FOTWebApp/studentaccess.jsp](http://www.fafsa.ed.gov/FOTWebApp/studentaccess.jsp).



**Note about signatures:** One of the most common mistakes students make when completing the FAFSA or when making corrections to a processed FAFSA, is to forget to provide signatures for themselves **and one parent** (*a parent signature is required if you are a dependent student or if you are a Pharmacy or Dental student applying for Health Professions Loan funds*). **If you forget a signature, your FAFSA will be rejected and you may miss the priority deadline date to be considered**

**for all aid programs.** To correct this situation, you and your parent can provide your signatures electronically with separate Personal Identification Numbers (PINs) – one for you and one for your parents – at [www.fafsa.ed.gov](http://www.fafsa.ed.gov) (select “Provide Electronic Signatures”). To request a PIN, go to [www.pin.ed.gov](http://www.pin.ed.gov). Alternatively, if you received a paper SAR, you may correct this situation by having both you and a parent sign and return your paper SAR to the federal processor.

**Be sure to review your SAR information carefully!** Look to see if there are any comments that need to be addressed on the SAR. If corrections need to be made, be sure to do so as soon as possible and follow the directions to submit the updated information. Also, be sure both you and one parent (if necessary) sign the SAR. Confirm that the record will be sent to the University of Michigan-Ann Arbor, MI, federal school code 002325.

### Consolidate Your Student Loans Now!

There’s no better time than now to consolidate your student loans. When you consolidate, you combine one or more of your federal student loans into one loan, with one monthly payment and a **FIXED INTEREST RATE** that is based on the weighted average interest rate of all the loans you are consolidating. With the current, historically low interest rates (2.77% while in school), that means you can “lock into” this rate for the life of the loan, saving you money in the long run. For more information, see [www.finaid.umich.edu/types\\_of\\_financial\\_aid/loans\\_consolidate.asp](http://www.finaid.umich.edu/types_of_financial_aid/loans_consolidate.asp) and [www.loanconsolidation.ed.gov](http://www.loanconsolidation.ed.gov).

### The Hope Scholarship and the Lifetime Learning Tax Credit

The Hope Scholarship is a tax credit for eligible first- or second-year undergraduates or their parents. The Lifetime Learning Credit is for eligible students who are beyond their second year of college or their parents.

To take advantage of the tax credits, taxpayers must submit **IRS Form 8863: Education Credits (Hope and Lifetime Learning Credits)**, with their federal tax return to the IRS (the form is available in Adobe Acrobat/PDF from the web: [www.irs.gov/formspubs](http://www.irs.gov/formspubs)). U-M’s Student Financial Operations will supply students with *Form 1098-T* (accessible on Wolverine Access – <https://wolverineaccess.umich.edu>), which lists all dollar information relating to the provisions of the Taxpayer Relief Act. Form 1098-T also shows the student’s demographic information (name, Social Security number, etc.) that the University provides to the IRS. For more information about the tax credits and these forms, see [www.finaid.umich.edu/financial\\_aid\\_library/tax.asp](http://www.finaid.umich.edu/financial_aid_library/tax.asp). Please note that these education tax credits must also be reported on your 2005-2006 FAFSA (see FAFSA Worksheet C).

### Tax Reporting for Grants, Scholarships, Fellowships, and Work-Study

Part or all of a **grant, scholarship, or fellowship may be taxable** even if you do not receive a W-2 form. If you are in a degree program, amounts you use for expenses other than tuition and course-related expenses (such as amounts used for room, board, and travel) are taxable.

To determine this taxable amount, add up all grant, scholarship, and fellowship awards received in a calendar year, then subtract all tuition, fee, book, and supply expenses. If the remaining amount is a positive number, it must be reported as income. If you are not in a degree program, the full amount of the

grant, scholarship, or fellowship is taxable. For a worksheet to calculate this amount, go to [www.finaid.umich.edu/faq/faq.asp#2](http://www.finaid.umich.edu/faq/faq.asp#2) (you will need Adobe Acrobat Reader to view/print this worksheet).

**You must also report Work-Study earnings** as income on your taxes. Additionally, you will need to report these earnings on your 2005-2006 FAFSA (see FAFSA Worksheet C for more information).