



FINANCIAL AID HANDBOOK

for

Wartburg Theological Seminary

(revised Fall 2011)

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Guidelines and Procedures

for

Wartburg Theological Seminary

Introduction

Wartburg Seminary approaches student financial aid in the spirit of mutual cooperation between seminary and students, since both are concerned with equitable distribution of available resources. Some seminary students do not require financial assistance because they have adequate financial resources to cover the costs of their seminary education. Others, however, have more limited resources and need to seek financial assistance from various sources. Each student's situation and need is considered seriously. Since seminary funds for student assistance are also limited, assistance is given on basis of documented financial need and determined eligibility.

How do seminary students pay for their seminary education?

1. **Students themselves** – It is essential that all students have a financial plan for covering expenses while attending seminary. Financial aid is only partial assistance. It cannot be the entire method of funding seminary education.
2. **Home congregations and synods** – These often give financial gifts to students.
3. **Scholarships** – We use this term for money that comes from outside (non-seminary) organizations, trusts, and endowments. We can provide information on possible sources.
4. **Wartburg Seminary** – Need-based grants and a few non-need-based grants are awarded to students who qualify for financial aid. Work-study is also available for students who wish and who qualify to work on campus.
5. **Federal funds** – Federal aid programs include Perkins and Stafford loans, and federal work-study (see above). Students may also be eligible for a Grad Plus loan through the Federal Loan Program.

Who is eligible to receive financial aid?

An eligible student is one who

- enrolls at least half time in a degree program
- demonstrates financial need
- continues to make satisfactory academic progress.

A person is NOT eligible if he/she

- is a non-degree, special student
- is placed on academic probation (unsatisfactory academic progress)
- has little or no documented financial need.

What is financial need?

Financial need is defined by government regulation as the Cost of Attendance (tuition, fees, books, and estimated allowed living expense for the student for the school year) less the Expected Family/Personal Contribution (EFC). The EFC is calculated by the federal processor from information provided by the applicant on the FAFSA form.

How is financial need documented?

The federal Free Application for Federal Student Aid (FAFSA) is the official government form for financial need analysis. The form can be completed at www.fafsa.ed.gov. This application can be completed as soon as one's income tax return has been filed, since that information is needed on the application. There is no deadline; however, it is best if this application be completed by the end of April, if possible. (The seminary website also includes a link for the FAFSA form.) If you prefer or are unable to access the web, you can fill out a paper copy upon request.

The federal processor then calculates an Expected Family Contribution (EFC). A report of all information entered by the student is returned to the student and to the seminary, clearly showing the calculated expected private contribution. No financial aid can be awarded until the seminary financial aid coordinator receives this report.

A Seminary Financial Aid Supplemental Application is also required as a supplement to the government FAFSA form. This form is available in paper from the Financial Aid Office, and also on the seminary website at www.wartburgseminary.edu. When completed the form should be returned to the Financial Aid Office either through the mail or preferably through the website. Students should also complete the Wartburg Seminary Financial Aid Supplemental Application available on the website.

Target dates for submitting financial aid applications are as follows: April 15 annually. This is a target date, not a hard deadline date. But the earlier forms are received, the earlier the student will receive financial aid award information.

What kinds of financial aid are available?

GRANTS are financial gifts, often also called scholarships. Seminary grants are based on financial need. Non-seminary scholarship grants are funds available from outside agencies. Congregations, synods, charitable trust funds, and individual donors make funds available to assist theological students. The Financial Aid Office provides information on scholarships, but students must take the initiative and apply for scholarship grants from outside sources.

EMPLOYMENT of students in jobs supported by federal work-study funds is part of financial aid. The seminary allows a maximum of ten hours per week for student employment. Some jobs such as chapel jobs (sacristan, musician, etc.) are not supported by federal funds, and are not considered part of financial aid.

LOANS are available to eligible students with documented financial need. A student loan is money which must be paid back after completion or termination of studies. The following federal loans are available:

Federal Perkins Loans, administered by the seminary, are for students with greatest financial need (typically for those with EFC 0). These loans have a 5% interest rate, and a repayment period of 10 years beginning 9 months after termination of studies, at not less than \$40 per month.

Federal Stafford Unsubsidized Loans are loans where the borrower pays the interest even while in school. If not paid, the interest will be added to the principle so that the loan is increased. These loans are awarded up to \$20,500 based upon need.

Federal Graduate Plus Loans are 7.9% fixed interest rate student loans guaranteed by the federal government. This is a non-need credit based loan similar to a private student loan. The GradPlus Loan allows graduate students to borrow up to the total cost of attendance less any other aid.

Wartburg Seminary awards Unsubsidized and GradPlus loans conservatively and recommends that students investigate all other funding options prior to borrowing student loans.

Caution should be exercised when borrowing student loans. It is not advisable for seminary students to incur large student debt, as beginning pastor salaries are often not high enough to allow for servicing a large educational debt without financial hardship. Congregations may be reluctant to call graduates with very large educational debts.

There are many repayment plans available for your consideration after graduation.

Can a student receive more aid than needed?

OVERAWARD occurs when financial aid exceeds the financial need. Where federal funds are involved, over award is forbidden by law. In other words, if the total of grants, scholarships, and loans exceeds the amount determined to be a student's financial need, then part of the financial aid package must be reduced in the following ways:

- If the student has a federal loan, the loan will be reduced by the excess amount
- If the student has not borrowed, or if the student loan has already been returned, then the Federal Work Study award will be adjusted according to federal regulations
- If the student has neither a loan nor received a Federal Work Study assignment, documentation will be placed in the student's financial aid file stating that the amount received over need is from outside gift or scholarship sources.

Is financial aid given for January Interim?

Tuition and normal living costs for the Interim term are included in the Cost of Attendance for the academic year. Extra expenses for projects chosen by students are not included, but some of those costs may be added to the Cost of Attendance. Limited additional financial help for Interim cross-cultural projects is available from the seminary. Planning for Interim projects takes place early in the fall semester. Students are eligible for a one time cross-cultural travel subsidy during their seminary study, no matter the size of the award.

Is financial aid given for study abroad?

Students who choose to study abroad with approval of the Wartburg Seminary Faculty at an approved location enrolling in courses that will receive credit toward your degree program may be eligible for Federal Student Aid. Students will need to apply for financial aid as per normal procedure.

Is financial aid given for internship year?

Federal loans and gifts from outside sources are available during the internship year, but seminary grants are not given during that year. Financial arrangements such as an internship stipend, travel reimbursement, etc. are handled by the Director of Contextual Education and the internship committee. Federal loans are negotiated through the Financial Aid Office.

What happens when students drop classes or withdraw from seminary?

Less than half time: If a student who receives financial aid based on full-time or half-time enrollment drops below half-time enrollment (e.g. by dropping classes or failing to enroll at least half time), all federal elements of the student's financial aid award will be cancelled, and seminary elements of the award will be prorated according to the number of credit hours for which the student is enrolled. The revised award will remain in effect until the end of the semester.

Withdrawal: Student financial aid recipients who withdraw from the seminary may be entitled to a refund. Calculation of refund will be according to federal and seminary policy as stated in the Student & Community Life Handbook. If a student has received federal loan funds, partial repayment of those funds may be required.

What other information is important?

Academic Probation: A student whose academic work is incomplete or unsatisfactory may be placed on academic probation. Because the student is not making satisfactory academic progress, the student is not eligible for seminary or federal financial aid while on probation. Normally, the probation must be cleared by satisfactory performance for a whole semester before a student can regain eligibility for financial aid.

Married students, both enrolled: (a) When both husband and wife are students at Wartburg Seminary, each is treated individually, however, one half of estimated living expense items will be attributed to each student. (b) When a seminary student's spouse is enrolled and receives financial aid at another college, Wartburg computes the student's financial aid eligibility on the basis of a single student's school and living costs.

Change of financial circumstances: A student must advise the Financial Aid Director of any significant change (e.g. over \$200) that occurs in the student's financial circumstances during the school year.

Automobile expenses: Insurance, operating expenses, and repairs are included in estimated "Transportation Costs" on the student budget. Major auto repairs, auto purchase, or payments cannot be included in a student budget, and are not part of the calculation of financial need.

Income Tax: For tax purposes students must declare as gross income all scholarships and grants exceeding the total of tuition, fees, books and equipment. This includes synod, congregation, seminary, and private awards. Loans are not to be declared as income.

Award Letters: The Financial Aid Office issues Award Letters prior to the beginning of the fall semester to students who receive financial aid for the academic year. Students must accept or decline each award, sign the award letter, and return one copy to the Financial Aid Office. Award Letters are updated periodically during the year as necessary. The Business Offices disburses all financial aid funds.

Confidentiality: Information provided by students for financial aid purposes remains confidential. Occasionally, synods request information concerning students' financial need, or the aid they have received. However, information is given only with a student's written permission. A Release of Information form is available in the Financial Aid Office.

Who can I contact if I have questions?

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1-800 CALL WTS or www.wartburgseminary.edu