



## Financial Aid News FLASH!!!

### Consolidated Appropriations Act of 2012 Summary

#### Important Updates for the 2012-2013 Aid Year:

- **Auto-Zero EFC Income Threshold** – reduces income threshold for automatic zero expected family income from \$30,000 to \$23,000 for the 2012-13 award year.
- **Ability-to-Benefit** – Eliminates federal student aid eligibility for students without a high school diploma or its equivalent. Students who have completed a secondary school education in a home school setting that is treated as a home school or private school under State law may be exempt.
- **Federal Grant Amounts for 2012-2013** – Maximum award is \$5,550.
- **Minimum Federal Grant Award and Maximum EFC** – New law establishes that in order to receive a Federal Pell Grant award, a student must qualify for 10% of the maximum award for that award year. The maximum EFC will be lowered from 5,273 in the 2011-12 aid year, to 4,995 in the 2012-13 aid year.
- **Federal Pell Grant Duration of Eligibility** – Beginning award year 2012-13, the Federal Pell Grant, the duration of a student's eligibility to receive a *Federal Pell Grant is reduced from 18 semesters or its equivalent, to 12 semesters or its equivalent.* The calculation of the duration of a student's eligibility will include all years of the student's receipt of Federal Pell Grant funding.
- **Grace Period Interest Subsidy** – Interest subsidized provided on Direct Subsidized loans during the six month period will be temporarily eliminated for loans for which the first disbursement is made on or after July 1, 2012 and before July 1, 2014.
- **Calculation of Special Allowance Payments** – The base on which special allowance payments to lenders for Federal Family Education Loans is calculated from Commercial Paper to the London Inter Bank Offered Rate for loans first disbursed on or after January 1, 2000. However, the change only applies if, by April 12, 2012, the loan holder provides the Secretary with a signed waiver of all contractual, statutory and legal rights to a payment based on the Special Allowance Formula in place when the loan was made.

**If you have any questions regarding these changes,  
feel free to visit the financial aid office during our office hours  
and one of the staff members will be able to assist you.**