BANNER FINANCIAL AID USER’S UPDATE

July 2008

In this edition: Banner Financial Aid Updates Concerning Stafford Loans

- Stafford Loan Limit Increases
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- Additional Stafford Indicator on Award Forms
Stafford Loan Limit Increases

H.R. 5715

On May 7, 2008, President Bush signed into law the “Ensuring Continued Access to Student Loans Act” (H.R. 5715). One item addressed by the law is the raising of Stafford Loan limits for any loan disbursed after July 1, 2008. Please see chart for further detail:

<table>
<thead>
<tr>
<th>Dependent Students (no PLUS denial)</th>
<th>Base Stafford Loan Amount</th>
<th>Additional Unsubsidized Stafford Loan as of July 1, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman</td>
<td>$3,500.00</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>Sophomore (&gt;30 earned credits)</td>
<td>$4,500.00</td>
<td>$2,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Independent Students and Dependent Students whose parents have been denied PLUS</th>
<th>Base Stafford Loan Amount</th>
<th>Additional Unsubsidized Stafford Loan as of July 1, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman</td>
<td>$3,500.00</td>
<td>$6,000.00</td>
</tr>
<tr>
<td>Sophomore (&gt;30 earned credits)</td>
<td>$4,500.00</td>
<td>$6,000.00</td>
</tr>
</tbody>
</table>

As always, the base amount of the Stafford Loan can be subsidized, unsubsidized, or a mixture of each depending upon the relative need of the student. The additional unsubsidized loan is always unsubsidized, regardless of need. For example, Student A is a first-year dependent student with a zero EFC and a COA of $15,000, hence:

COA: 15,000
EFC: 0
Pell Grant: -4,731
Unmet Need: 10,269

Student A can receive a subsidized Stafford Loan for $3,500.00, thereby reducing his/her unmet need to 6,769. In addition, the student can automatically receive an additional unsubsidized Stafford Loan for $2,000.00. If Student A’s parent(s) were subsequently denied a PLUS loan, Student A could then borrow an additional unsubsidized Stafford Loan up to $4,000.00, bringing their total Stafford borrowed to $9,500.00, of which $3,500.00 was subsidized. Thus, the breakdown would appear as such:
Awarding Increased Stafford Loans in Banner

RFRMGMT

Under the Packaging tab, award maximums should be adjusted to reflect the new limit for Unsubsidized Stafford loan funds. The new award maximum should be adjusted to $10,500.00 (the most possible for a sophomore). No adjustments are necessary for Subsidized Stafford loan funds.

RPROPTS

Please verify that the “Additional Stafford Eligibility Default” field is checked. This is important, as it allows for award validation of the additional $2,000.00 in Unsubsidized Stafford loan for dependent students. If this is not checked, the additional Stafford will not be validated for dependent students and will require additional manual processes for awarding.
Awards Additional Unsubsidized Stafford Loan (with PLUS Denial)

In the event that a dependent student’s parent(s) have a confirmed PLUS Loan denial, the student is now eligible for an additional $4,000.00 in Unsubsidized Stafford loan (in addition to their base amount + $2,000.00). In order to award this amount to a dependent student, you must update the “Additional Stafford” field to “Y” on one of the award forms (ROARMAN, RPAAWRD, or RPAAPMT). Please see below for an example of the field as seen in RPAAWRD:

Note: Within the options available the “Additional Stafford” field, you may notice the option for “D= Yes, Dep (no PLUS denial).” This option is only necessary in awarding the additional $2,000.00 to dependent students when the “Additional Stafford Eligibility Default” tab is unchecked in RPROPTS.
Banner User Support

The student loan industry has experienced volatility and confusion of late that has brought about changes on what seems to be a weekly basis. In light of this, the Banner Financial Aid team would like to remind users of its availability in terms of offering technical and regulatory assistance as a means of ensuring access for students to these important programs. As always, please contact the team by calling (860) 244-7802 or via email at SYS-BannerFinAidHelp@commnet.edu.