

UC Santa Barbara
Policies
Issuing Unit: Student Affairs

Policy 4430

Date: February 1, 1985

APPLICATION FOR
AND AWARDING OF FINANCIAL AID

I. PURPOSE AND SCOPE:

This procedure defines the purpose of the Santa Barbara Financial Aid Program; provides an outline of application, review, and notification; and includes brief descriptions of the types of aid available. Certain types of financial aid described in this procedure are available to both graduate and undergraduate students, others to undergraduates only. Information concerning other financial assistance available to graduate students, such as Fellowships and Grants, may be obtained from the Graduate Division.

II. REFERENCES:

- A. Policies and Procedures Governing Deferral of University of California Educational Fee, issued by the Office of the Vice President, Educational Relations, dated March 30, 1970.
- B. Student Financial Aid Handbook, issued by the Office of Education of the Department of Health, Education, and Welfare.
- C. Assistant Vice President Shepard's memorandum regarding the Regents' Scholarship Program, dated February 28, 1969.
- D. Chancellor Cheadle's memorandum regarding the Chancellor's Scholarship Program, dated June 23, 1972.

III. PROCEDURE:

A. Financial Aid Program:

The primary purpose of the University of California, Santa Barbara, Financial Aid program is to provide monetary assistance to students who would be unable to pursue their education at the University without such help. In determining the type and amount of assistance, it is assumed that the student and his family will make a maximum effort to meet expenses. Financial assistance provided through the programs administered by Student Financial Services is intended to supplement the resources of the applicant and his family.

B. Application:

- 1. The application, known as the Student Aid Application for California (SAAC) is available from Student Financial Services, usually in December of the year prior to the academic year for which aid is requested. The SAAC allows the student to apply for the aid directly from Student Financial Services, the Pell Grant, and the several programs administered by the California Student Aid Commission in Sacramento.

2. In addition to the SAAC, a copy of either the student's or parent's federal income tax form 1040 may be requested by Student Financial Services.
3. Filing dates are published in the UCSB Financial Aid Application Instructions. The postmark deadline for the Regents' Scholarship is in early February and normally coincides with the postmark deadline for initial Cal Grants which are sponsored by the California Student Aid Commission. March 15 is the postmark deadline for priority consideration for UCSB need-based aid including all scholarships except the Regents' Scholarship. Applications postmarked after March 15 are subject to the availability of funds.

C. Notification:

Award letters notifying applicants of the aid they are offered are mailed in the spring quarter for on-time applicants. Late applicants receive notification that they have missed the priority funding deadline and will receive an award only if funds become available during the year.

D. Revision:

A recipient's original offer of aid may be changed whenever the resources available to meet the cost-of-education increase or decrease.

E. Types of Awards:

Regent's Scholarships (basic application required by early February deadline).

1. Students are eligible for Regents' Scholarships upon graduation from high school or upon completion of the sophomore year at any accredited institution.
2. Recipients of Regents' Scholarships are selected only on the basis of demonstrated academic excellence and exceptional promise.
3. All Regents' Scholarship applicants must submit an autobiographical essay and booklist with their application. (Details are outlined in the application.)
4. The dollar amount of each Regents' Scholarship award is based on the student's financial need. Awards may be honorary in nature or may carry a stipend to cover the difference between family resources and the yearly standard cost of education at the University. All Regents' Scholars receive a one-time honorarium of \$300, irrespective of financial need; applicants without significant financial need may specify on their applications their desire to be considered for a Regents' Scholarship with honorarium only.
5. The term of application for Regents' Scholars is four years for students entering from high school; two years

for students appointed in the sophomore year.

- F. A Regents Scholarship may be terminated at the discretion of the Chancellor or his designated representative if the recipient does not maintain at least a 3.0 grade point average in courses taken at the University.
1. University of California, Santa Barbara Scholarships.
 - a. Various Scholarships are made possible by funds provided by individual donors, private corporations and agencies, alumni associations, and The Regents of the University.
 - (1) Most UCSB Scholarships are open to all undergraduate students on a competitive basis. Although some are restricted by the donors to recipients who meet given criteria (e.g., to students majoring in education), students should not apply for any specific scholarship, but should indicate on the application form all the listed qualifications which they can satisfy.
 - (2) Awards are granted on the basis of scholastic achievement, financial need, and academic promise.
 - b. Scholarship awards vary in amount. When established financial need exceeds the amount awarded, supplemental assistance may be offered in the form of grants, loans, or part-time work under the Work-Study Program.
 - c. With the exception of the Regents' award, all scholarships are awarded for one year; financial assistance for succeeding years will depend upon the student's academic performance in the University and his continued financial need following submission and review for a new application. A 3.0 grade point average in the University is generally required for a recipient to be considered for awards after the first year.
 3. University of California Grant.

To qualify for the University of California Grant Program, established in 1968 by the Regents of the University, students must be enrolled in a minimum of 6 units for undergraduate students or the half-time equivalent for graduate students. Awards are based on financial needs.
 4. Supplemental Educational Opportunity Grants (SEOG).

Eligibility for SEOG is limited to undergraduate students. Awards are based on financial need.
 5. Work-Study Program.
 - a. The Work-Study Program enables the University to

offer employment to financially needy students. Funds for positions administered under this program are provided on a percentage matching basis by the federal governments and the University. The percentage charged to the federal government cannot exceed 80 percent.

- (1) Jobs offered under the Work-Study Program are not to be confused with those offered through the Student Placement Center.
 - (2) Employment under the Work-Study Program is limited to students having a demonstrated financial need which is determined by filing of the basic Financial Aid Application (SAAC).
- b. Departments will be requested periodically to inform Student Financial Services of any job openings suitable for Work-Study employees. Applicants for financial aid who are eligible will be referred to departments for interviews; the decision to hire Work-Study employees rests with departments.
 - c. See also UCSB Policies Manual, Policy 4460 and Policy 4465, related to the Work-Study Program.
6. Long-Term Loans.
- a. Filing of the basic application enables the applicant to be considered for any long-term loans for which he may prove eligible. The National Direct Student Loan (NDSL) receives primary use in this category.
 - b. A long-term loan is one in which interest of from 3 to 5 percent begins to accrue 6 to 9 months after leaving school; repayment is made on a selected plan (usually quarterly) over a period from 5 to 10 years. In certain instances, deferment of repayment is made for service in the Armed Forces, VISTA, or the Peace Corps, and for the NDSL there is a forgiveness clause for those who enter teaching or serve in the Armed Forces.
 - c. Specific details about the individual loans may be obtained from Student Financial Services.
 - d. American National Education Corp (ANEC) in Chicago handles collection of the long-term loans. Students are required to have an exit interview with Student Financial Services when they are graduating or leaving the University of California, Santa Barbara.

7. Educational Fee Deferment Loan.

On February 20, 1970, The Regents established the Educational Fee, applicable to all registered students for the academic year, as follows:

Undergraduates-- \$100 per quarter.
Graduates-- \$120 per quarter.

These fees have been increased from the original amounts over the years. The Regents provided that, under specific terms and conditions to be recommended by the President and adopted by The Regents, California residents with demonstrated financial need may defer payment of the Educational Fee. Spring Quarter, 1983, was the last quarter in which Educational Fee Deferment Loans were issued.

a. Terms and Condition of Fee Deferment Loans

A student who defers the Educational Fee shall be required to execute a promissory note to repay the amount deferred, in accordance with the following terms and conditions:

- (1) Each student who has deferred payment of the Educational Fee shall be required to begin payment thereof 6 or 9 months subsequent to the completion of his higher education; a student's higher education may include graduate study not to exceed 4 years. A student who terminates his higher education shall be required to begin payment 6 or 9 months subsequent to the date of termination of his enrollment in an accredited institution of higher education.
- (2) The repayment period beginning as specified in (1) above shall not exceed 10 years. The note will bear interest at the rate of 3 or 4 percent per annum during that period and the minimum annual payment shall be \$120 plus interest.
- (3) In the case of a student who is under 18 years of age, a co-signer shall be required, and said co-signer shall ordinarily be a parent of the student. A promissory note signed by a married student shall require the co-signature of the spouse.
- (4) Students who defer the Educational Fee may elect to postpone the repayment schedule in whole or in part for a maximum of 4 years while serving on active duty in the Armed Forces of the United States or with the Peace Corps or VISTA.
- (5) Payment of the entire amount of principal and accrued interest may be made at any time at the option of the person executing the note.
- (6) In the event of death or total and permanent disability, the unpaid indebtedness shall be canceled.
- (7) In the event of default of any amount due and payable, the entire amount, including interest, shall become due and payable.

8. Teaching Assistant Loan.

Teaching Assistants, or the various titles related by function and financial circumstance to teaching assistants (excluding readers), may borrow up to one month's salary during the period between their arrival on campus (not to exceed 30 days prior to the opening of classes) and receipt of their first salary check. The loans are repaid within three months and bear one percent per quarter interest.

9. Non-University Assistance.

a. Cal Grant A:

(1) These funds are administered by the California Student Aid Commission and can apply only to compulsory fees charged by the University. These scholarships (undergraduate) and fellowships (graduate) are based on demonstrated need plus academic and performance on SAT tests or Graduate Record Examination.

(2) Eligibility for these awards and deadlines concerning application are controlled by the California Student Aid Commission. The University of California, Santa Barbara assists the student by providing the application forms.

(3) There are three categories of students served by this program.

(a) Entering High School Student.

This student applies as a senior in high school through his high school counselor in October of the year previous to the academic year in which he enters the University. Application is available at the high school.

(b) Continuing University of California, Santa Barbara Student.

This student applies in the year previous to the academic year in which he requires assistance. Application is available at Student Financial Services.

(c) Graduate Student.

This student applies in the year previous to the one in which he requires assistance.

b. Pell Grant:

This federal program provides grant money for educational expenses to qualifying students who have not yet received a bachelor's degree. Maximum awards depend upon the cost of education at the school the student attends. Application is made on the Student

Aid Application for California (see III.B., page 2) or the Application for Federal Student Aid.

c. Federally Insured Student Loan Program (FISL):

The FISL program is no longer in operation; it has been decentralized. Individual states may now enter into an agreement with the federal government to participate in the Guaranteed Student Loan (GSL) program. Therefore, FISL's are no longer available to students.

- (1) Under the authorization of the Higher Education Act of 1965 and subsequent amendments, students borrowed from participating lending institutions to help pay their educational costs. Loans made under this program are insured by the federal government.
- (2) Any student may apply for a loan who (a) is enrolled and in good standing or has been accepted for enrollment at the University of California, Santa Barbara; (b) is carrying at least one-half of the normal full-time study loan; and (c) is a citizen or national of the United States or in the United States for other than a temporary purpose. Eligible undergraduate students may borrow up to \$2,500 per academic year, with a \$7,500 maximum for all years combined. Graduates may borrow up to \$10,000, including undergraduate amounts.
- (3) Although a loan may be prepaid at any time without penalty, compulsory repayment begins not later than 9 months nor later than one year after the date of graduation or withdrawal from school. When compulsory repayment begins, the student will be required to pay a minimum of \$360 per year. Repayment may be deferred while the borrower is a member of the Armed Forces, a full-time volunteer in the Peace Corps or VISTA, or for any period during which he returns to an eligible school to pursue a full-time course of study. The borrower is encouraged to make at least partial payments during such periods or deferments in order to reduce the principal amount of the loan.
- (4) Prior to the beginning of the repayment period, the federal government pays to the lender the interest on loans. Such payments continue or resume during periods of deferment. During the repayment period, the student is responsible for the total interest. Students who do not qualify for the federal interest benefits may borrow, but they must pay all of the interest.
- (5) A prepaid insurance premium of one-fourth of one percent calculated on the amount of the loan for the term of the in-school note will be collected

from the borrower or deducted from the proceeds of the loan by the lender. This premium is paid only once, and no refunds or adjustments will be made.

- d. California Guaranteed Student Loan (CGSL).
- (1) This loan is available through the California Student Aid Commission for students who need to borrow money for postsecondary education. It is made to qualified undergraduates, graduates, and professional students. A student must be enrolled on at least a half-time basis and making satisfactory academic progress. Applicants must be a citizen or permanent resident of the United States or an eligible non-citizen. Applicants must not be in default on an educational loan or owe a refund on a state or federal educational grant.
 - (2) A student must be a California resident or an out-of-state resident attending an eligible California educational institution. Students who do not meet either of these two requirements may apply to their state of residency for a loan administered by their state.
 - (3) The interest rate varies from 7 to 9 percent. The interest rate that is in effect when a student receives their first CGSL will lock that student into that interest rate for all subsequent loans. Undergraduates may borrow up to \$2,500 each school year to a maximum of \$12,500 for undergraduate studies. Graduate students may borrow up to \$5,000 each school year to a maximum of \$25,000 including undergraduate loans.
 - (4) No loan payment will be required while the student is attending school on at least a half-time basis and for a six-month grace period thereafter. Interest on the loan is paid to the lender by the federal government while the student is enrolled in school. When the student ceases to be enrolled at least half-time, a six-month grace period begins. The grace period is provided to allow the student to obtain employment and to make preparation to repay the loan. Regular payments begin after the grace period and usually extend from five to ten years, unless the required minimum of \$50.00 a month repays the loan more quickly.
 - (5) Two fees are deducted by the lender from the loan check. An origination fee, equal to 5 percent of the loan amount, is credited to the federal government to pay part of the interest cost. An insurance premium, of one percent of the loan amount for each year during the in-school period plus one year, is used by the

state to reduce the expenses of guaranteeing the loan. The student pays all the interest during the repayment period.

e. California Loans to Assist Students (CLAS).

- (1) The California Student Loan Authority was created by the California Student Loan Authority Act of 1980. The Authority is empowered to sell tax-exempt bonds for the purpose of creating capital for student loans. The proceeds are used to make funds available for the California Loans to Assist Students (CLAS) Program. This loan program makes long-term loans available to parents of dependent undergraduate students, graduate students, and qualified independent undergraduates for paying postsecondary educational expenses. The annual interest rate is 12 percent.
- (2) To be eligible to borrow on behalf of the student, "parent" is defined as an undergraduate student's mother, father, legal guardian, or adoptive parent.
- (3) Students for whom a parent is borrowing, as well as graduate and independent undergraduate students, must be enrolled on at least a half-time basis in a UCSB degree program. Half-time is defined as six units per quarter for undergraduates and four units for graduates. The student must be in good standing and maintaining satisfactory academic progress. A parent borrower for the student for whom the parent is borrowing must be a California resident or the student must be attending an eligible California educational institution. Graduate students and independent undergraduate students must be residents of California or attending an eligible California institution. The borrower and the student on whose behalf the loan is intended must be a citizen of the United States, a permanent resident of the United States, in the United States for other than a temporary purpose, of the Trust Territory of the Pacific Islands or Northern Mariana Islands. Neither the borrower nor the student for whom the loan is intended can be in default or delinquent on any Guaranteed Student Loan, National Defense/Direct Student Loan, or owe a refund on a Pell Cal Grant, Supplemental Educational Opportunity Grant or a Cal Grant, unless satisfactory arrangements have been made to repay the loan on the grant program.
- (4) Parents of dependent undergraduate students may borrow up to \$3,000 for each school year for each eligible student with a \$15,000 maximum for each eligible student. Independent undergraduate students may borrow up to \$2,500 each school

year of combined GSL and CLAS loans with a maximum of \$12,500 combined GSL and CLAS loans. Graduate students, regardless of dependency status, may borrow up to \$3,000 each school year with a \$15,000 maximum of CLAS loans.

- (5) A borrower is charged an insurance premium of three-quarters percent per annum on the declining loan principle over the anticipated life of the loan. The lender deducts the premium from the loan check and it is used by the state to help reduce the cost of insuring the loan.
- (6) Student borrowers attending school full-time may have payments of loan principle deferred; however, monthly interest payments of loan payments may be required. For school borrowers attending school less than full-time or for parent borrowers, monthly payments of principle and interest are required to begin within 60 days. Monthly principle and interest payments are required over a five- to ten-year period, unless minimum monthly payments of \$50 repay the loan more quickly. Under certain conditions, student borrowers may defer monthly principle payments after leaving school.

Please direct questions about these policies to Meta.Clow@vadmin.ucsb.edu. For questions or comments regarding the format of the above information, please contact webcontact@ucsbuxa.ucsb.edu.

Return to the [UCSB home page](#).

Last Modified By: EBH, 7/09/98