



# NAZARENE THEOLOGICAL SEMINARY

## FINANCIAL AID HANDBOOK

**2018-2019**

This handbook discusses the financial aid policies and procedures regarding NTS institutional aid, as well as Federal Loans. If there are any questions or comments regarding this handbook, please direct them to the Financial Aid Office at NTS.

**Cindy Howard**

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## GENERAL INFORMATION<sup>i</sup>

The proper payment of bills and the handling of personal finances is an important part of the total seminary experience and preparation for ministry. NTS policies are designed for accountability and to encourage good financial decision making and stewardship. It also balances those precepts with fairness to the institution and to the student, both of whom must pay their bills.

## APPLICATION PROCEDURES

**NTS General Scholarship/Grant Online Application can be found at**  
<http://www.nts.edu/scholarship-application>

**NTS Payment Plan** –An institutional payment plan is available by contacting the Student Accounts Office at 816-268-5424 or toll free at 1-800-831-3011 x5424 for more information.

**Free Application for Federal Student Aid (FAFSA)** – William D. Ford Direct Loans (DL) – To apply, log on to [fafsa.ed.gov](http://fafsa.ed.gov). Nazarene Theological Seminary's Title IV School Code is G02494.

## CHECKLIST FOR APPLYING

- ✓ Scholarships and/or institutional aid are available to all accepted degree-seeking students of the seminary, but must be applied for annually. Those students seeking only a certificate or diploma, or are only auditing classes, do not qualify. Applications, found at [www.nts.edu/scholarship-application](http://www.nts.edu/scholarship-application), should be submitted prior to February 15 for the upcoming academic year which will always begin with the Fall semester. Applications submitted after that date will still be considered for awards, but will be contingent on funds available. In all cases, simply submitting an application does not guarantee an award. If you are planning on beginning your studies at NTS in a Spring semester or Summer term, you should submit an application by November 1 of the same academic year that you plan to enroll in. Summer terms are considered a trailer to the academic year. New students are automatically considered for scholarships as part of the NTS admission and application process. Scholarships are annual awards and a new scholarship application must be submitted by all returning students by the above deadlines every year in order to qualify.

In general, students must have a 3.0 GPA to be considered for scholarship awards at the time of academic evaluation. All new and returning students who submit their applications by the appropriate deadline will be considered for awards at the discretion of the scholarship committee and as funds are available. Applications for new and returning students submitted after the deadlines will be considered on a case-by-case, and, because applications are submitted online with an electronic timestamp, first-come, first-served basis. Applications may be accepted, denied, or considered the following semester. If an award is given to a late applicant, the award may be reduced or awarded the following semester. The NTS scholarship application deadlines for priority consideration are February 15 (if applying for Fall and Spring/Summer awards) and November 1 (if applying for Spring/Summer only). These annual awards are for the entire academic year.

- Students must plan to enroll as at least a half-time (five (5) or more credit hours for master's level; 3 or more for Dmin) student. Exceptions may be made for students

whose enrollment may not justify half-time status including, but not limited to, those enrolled in the 365m program, first-year MA in Theological Studies students, or graduating seniors. If a student has not yet reached eight (8) credit hours of NTS instruction, scholarship awards will be based on information obtained from the Office of Enrollment Services. Anyone who is applying for and/or eligible for the Honors scholarship must have at least eight (8) credit hours of NTS instruction.

- ✓ If applying for a William D. Ford Direct Loan (DL), submit The Free Application for Federal Student Aid (FAFSA) after January 1 of the year you plan to attend. Complete the FAFSA online at [fafsa.ed.gov](http://fafsa.ed.gov). Information about student loans may be found at [www.studentloans.gov](http://www.studentloans.gov) and the specific details of obtaining and maintaining eligibility for loans offered at NTS can be found by contacting the NTS financial aid office as well as in this handbook. It is the student's responsibility to understand the rights, responsibilities, and obligations of borrowing a federal loan. If there are any questions, please contact the NTS financial aid office.
- ✓ Keep in mind that for each set of application forms there are different sets of rules, regulations and requirements. Please read each carefully and follow all instructions. Failure to do so could delay the process of your scholarship or loan application. Plan ahead. Accurately complete all forms to prevent misinterpreted information. If forms are being filled in by hand, please be sure to write legibly and clearly. Keep copies of all correspondence and completed forms.

## STUDENT EXPENSES

The Financial Aid Office uses student cost data from governmental and private sources with standardized cost-of-living information for Kansas City, and our multi-site campuses, to calculate its costs of attendance. Updated tuition and fee figures are established by the Nazarene Theological Seminary Board of Trustees. Costs of books are based on estimates obtained through booklists provided by the Office of Enrollment Services. Living arrangements and expenses are the responsibility of the individual student. Costs vary in the Kansas City area and at our multi-site campuses. All this information is used to determine the total cost of attendance for each academic period. See costs of attendance under government loan program section in this handbook.

## MISCELLANEOUS FINANCIAL AID TERMS AND INFORMATION

Terms of agreement: All student account charges are due and payable by the first published date of the semester **even if your individual classes may start after the first published date of the semester**. Published dates may be found on the NTS website, NTS catalog, course schedules, student mailings, etc. Credit/debit cards, as well checks and cash, are accepted methods of payment for tuition, fees, and books as applicable. If you are paying your bill by credit/debit card, you must use your student portal at [my.nts.edu](http://my.nts.edu). Sometimes, banks may impose a "daily limit" on a debit card and an error will be returned when paying your bill. You must call your bank and ask them to raise your daily limit so that you may pay your bill in full.

Please note: Beginning with the 2014-2015 academic year, NTS administration approved a 2.5% processing fee for all credit card transactions, including the paying of your NTS bill. Currently, this fee is not being automatically assessed and you will not have an additional fee on your credit card statement by paying that way. However, this is subject to change in the future.

Student Need: Family size, income, assets, as well as the cost of attendance are all taken into consideration when determining a student's need. While need is an important factor in the overall assessment process, other things such as merit, ministry experience, ministry potential, background and other aspects of the student's qualifications play an important role when determining the granting of institutional aid. All NTS scholarship awards do not consider income as a deciding factor. Scholarship awards are based on academic merit and any criteria established by the donor within the policies of NTS.

## **PERSONAL RESOURCES**

NTS cannot and will not assume financial responsibility for a student's education. The Financial Aid Office exists to assist students in understanding and arranging financing for their education. The financial literacy and resources office through the Center for Pastoral Leadership is also a great resource in assisting students to finance their seminary education. NTS encourages all students to take advantage of the financial literacy materials offered through the Center for Pastoral Leadership at NTS. As independent graduate students, NTS expects students to wisely use the funds at their disposal. A number of resources should be considered when determining if outside financial help is needed.

**EMPLOYMENT:** A major source of income is may need to come from the student's employment. The NTS website ([www.nts.edu/employment-in-kansas-city](http://www.nts.edu/employment-in-kansas-city)) is a good resource for job contacts for outside and in-house employment. If you're planning to move to Kansas City to attend seminary, you will want to start looking for and applying to jobs during the moving process as NTS student bills are to be paid on, or before, the published semester start date.

**SAVINGS AND ASSETS:** With reference to Federal Direct Loans, depending on the student's situation, a certain amount of savings and assets will be "protected." Savings above this amount are considered available for use in meeting the cost of education. This is the Estimated Family Contribution (EFC) stated on the federal Student Aid Report (SAR). However, as of July 1, 2012 Federal Direct Loan borrowers only eligible for unsubsidized loans are no longer required to be verified. Further, unsubsidized loans are considered by the Department of Education to be *non-need* based aid. Therefore, EFC is not calculated in determining student need or eligibility for loans, but *EFA, Estimated Financial Assistance* (scholarships, grants, other sources of aid) is considered for determining loan eligibility. Even so, a small portion of savings and assets should be considered or set aside as available for funding your seminary education.

**DENOMINATION:** Some denominations provide students with a good resource for help in financing seminary education. Denominations are often willing to help students pursuing theological training if the need for funding is made known. Contact your local church or denomination and browse your denomination's website for links and contact information regarding additional funding for your education. Although NTS is a part of the Nazarene denomination, the financial aid office normally does not pursue or direct students to denominational aid that may be available unless it is specifically made known to us. If the denomination makes a scholarship known to NTS, the financial aid office will advertise the availability of the award and the application procedures to the student

body, encourage students to apply, and will be a mediator between offices if need be, but the responsibility for applying for denominational aid falls on the student.

**OTHER AID:** Students are encouraged to contact local and regional agencies for possible scholarships and grants. Many public and academic libraries have resources for identifying these agencies. NTS also encourages students to do research on the Internet to seek out potential resources for financing your seminary education. Many scholarships and grants go unused every year simply because they are unapplied for. The NTS financial aid page has a small list of scholarship search sites to help get you started.

## **MAINTAINING ELIGIBILITY**

A student must establish a grade point average of at least 2.00 or higher in the first year and maintain this average throughout the course of study in order to remain eligible to receive federal student aid, and a student must maintain at least a 3.00 in order to continue receiving academic scholarship aid. At the close of each semester the Office of Enrollment Services reviews the quality of each student's work in order to note students whose semester or cumulative average is lower than 2.00. The financial aid office and the Dean of the Faculty are notified. In certain instances, federal aid Satisfactory Academic Progress Standards are stricter than NTS school standards. You should notify the financial aid office if you are in any doubt about your eligibility or if there will be any change in your enrollment status and how that may affect any institutional or federal financial aid you are receiving.

See also Satisfactory Academic Progress Standards in this handbook and Academic Probation in the NTS Catalog and the Student Handbook.

## **FINANCIAL AID SPONSORED BY NTS**

### **GENERAL INFORMATION**

Annual scholarships are awarded on a per credit hour basis up to 24 hours per academic year and the student is required to enroll as at least a half-time student each semester, with the possible exceptions as outlined in the *Checklist* section above.

Students with a 3.75 GPA, or better, will be awarded the Honors Scholarship, provided they submit an NTS General Scholarship Grant Application by the appropriate deadline (see Checklist for Applying for Financial Aid above). This scholarship will only be awarded to students who have at least eight (8) credit hours of NTS instruction.

Scholarships are adjusted according to the published and posted Refund Schedule during any given term (see School Refund Policy below).

Students seeking second degrees are awarded annual endowed scholarship funds on a case-by-case basis. Normally, scholarship aid is not offered for a second degree once one degree has been conferred.

Exceptions to any scholarship policy will be made on a case-by-case basis at the discretion of the scholarship committee in session, or the scholarship sub-committee out of session.

## **AWARDING FINANCIAL AID**

Financial aid is awarded at Nazarene Theological Seminary under the governance of several administrative policies.

Scholarship awards for new and returning students who are enrolled in a degree program are made as soon as possible after receiving a scholarship application. Students will receive an award letter informing them of the Scholarship Committee's decision as to how much scholarship aid they qualify for. Instructions on writing a thank you letter to the donor will come at a later date. Thank you letters are required to have your scholarship applied to your student account. If a thank you letter is not received by the appropriate deadline stated in the thank you instructions, you will be disqualified from receiving your scholarship for that semester, and the funds will either be returned to the appropriate account, or offered to another student. Scholarship aid will be applied to a student's account at the time of registration or before the start of the semester in which the student has enrolled, provided a thank you letter has been received in the financial aid office.

Scholarships are awarded for the entire academic year which is Fall, Spring, and Summer semesters. Summer functions as a "trailer" to the Fall and Spring semesters. Scholarship aid will begin in the Fall or Spring terms depending on when the scholarship application is received, and will not begin in the summer term. Exceptions will be made on a case-by-case basis. Summer scholarships and institutional aid, in most cases, will be awarded to students enrolled in not less than three (3) credit hours. If, by the summer term, your academic year aggregate credit hours are more than 24 (for example: 9 credit hours in Fall, 12 in Spring, and 6 in Summer for a total of 27 credit hours), you will only be awarded up to 24 credit hours.

Scholarship aid is limited to tuition charges and will not exceed total tuition charges. It does not apply to fees and other charges. Scholarship aid is not refundable to the student except in the rare instance where a donor may specify that scholarship aid can be refunded to the student.

Financial aid is awarded on the basis of demonstrated need, ability, and ministry potential within the regulations and policies of NTS and the United States Department of Education. The Scholarship Committee oversees scholarship awards to students. The NTS administration is responsible for the awarding of federal aid.

The Scholarship Committee or sub-committee, consisting of the Dean for Administration, the Registrar, and the Director of Financial Aid, will address any additional financial aid written requests when they are received, as time and finances permit. These requests will be addressed on a first-come, first-served basis. NTS will not arbitrarily award additional aid to a student, but will carefully consider each request and may approve or deny the request. NTS will not discriminate against any request on the basis of race, national origin, religion, sex, marital status, age, or disability. However, it remains the responsibility of the student to contact the Financial Aid office with any request for additional aid. Please note that certain scholarships and funds have certain award criteria. If any additional aid may be awarded, or adjustments made, the student must meet any criteria that has

been established for the scholarship. If the criteria is not met, or funds are unavailable, the request will be denied.

It is very important that students inform the Financial Aid Office of all potential resources before awards are made. If a student receives outside financial assistance after receiving his/her initial award from NTS or fails to report a source of financial assistance ahead of time, he/she should contact the Financial Aid Office immediately. The initial award from NTS may be affected.

Any questions regarding the awarding of financial aid should be directed to the Financial Aid Director.

## **APPEALS**

If a student is displeased with his/her award; or if a student would like to discuss any other circumstances regarding his/her financial aid package, etc. (i.e. believes that all aspects of his/her financial conditions have not been considered), he/she should first discuss his/her concerns with the Director of Financial Aid or the Dean for Administration and Student Services. If the student is still not satisfied, then he/she may appeal by stating justifiable reasons in writing to the Scholarship Committee in care of the Financial Aid Office. This statement needs to be received by the Scholarship Committee within 30 days of receiving the award notice. Normally, a decision can be expected within 30 days. All decisions made by the Scholarship Committee or sub-committee are final.

## **SCHOLARSHIPS AND GRANTS**

From the information you provide on the NTS General Scholarship/Grant Application, the Financial Aid Office, in conjunction with the Scholarship Committee, will match your request for aid with the guidelines established by scholarships donors. Some endowed scholarships are need-based. Others are based on academics and/or areas of interest. Your financial aid award package may include one or more endowed scholarships. At NTS, you are not applying for a particular type of scholarship or from a particular fund. You fill out a general application to be awarded a certain amount of scholarship aid to be applied to your tuition. It is at the discretion of NTS to determine which fund or type of scholarship you qualify for. Since scholarships are annual awards at NTS, the amount and name of the scholarship you receive in one year may not be the same in subsequent years.



## **DENOMINATIONAL FINANCIAL AID**

### **WORLD MISSION DIVISION, CHURCH OF THE NAZARENE GLOBAL MINISTRY CENTER**

#### **Hiram F. Reynolds Endowment Fund Scholarships**

The purpose of this fund is to provide scholarships for the development of faculty and administrators for the educational ministry of the Church of the Nazarene in world areas under the direction of Nazarene World Mission Division.

Potential recipients of this scholarship/loan assistance are missionaries, administrators and faculty who serve Nazarene educational interests in World Mission areas outside of the US and Canada. Preference is given to those currently serving in World Mission educational ministry.

Application forms may be obtained through the World Mission office in Kansas City and from the Regional Office in the applicant's geographical location. Applicants should contact the World Mission office or their regional directors for more information.

### **INTERNATIONAL BOARD OF EDUCATION, CHURCH OF THE NAZARENE GLOBAL MINISTRY CENTER**

#### **Council of Education Scholarship**

This scholarship is awarded on the basis of need to students currently enrolled at Nazarene Theological Seminary. The student must maintain satisfactory academic standing. Application is made through the Nazarene Theological Seminary Financial Aid Office. Deadline: April 15. Forms are to be returned to the Financial Aid Office.

#### **Widmeyer, Yeatts International Student Scholarship**

This scholarship is awarded on the basis of need to students from mission fields. Application is made through the Nazarene Theological Seminary Financial Aid Office. Deadline: April 15. Forms are to be returned to the Financial Aid Office.

#### **General Superintendents Scholarship**

The Seminary administration is asked to select a student who qualifies academically and who has financial need to receive this distinguished annual scholarship of \$500. There is no application process. The recipient must be enrolled full-time.

## **CHAPLAINCY SERVICES, CHURCH OF THE NAZARENE GLOBAL MINISTRY CENTER**

The Spencer/Lee Chaplaincy Scholarship is awarded annually. Persons receiving the award in one year must reapply the following year to receive subsequent awards. The scholarship award amount may vary from year to year at the discretion of the NTS scholarship committee within NTS policy. Applicants should understand that Spencer/Lee Scholarship recipients are expected to serve in a chaplaincy capacity upon graduation from NTS and/or after ordination. In the case of military chaplains, this requirement may be fulfilled by service as a Reserve or National Guard Chaplain. If this expectation is not fulfilled due to factors within the recipient's control, the recipient may be asked to repay the scholarship. The Spencer/Lee Scholarship requires the applicant to complete an NTS General Scholarship/Grant Application on or before the posted deadline, as well as be admitted to NTS with a chaplaincy emphasis (usually indicated by having a chaplaincy certificate in association with your degree). The scholarship committee will evaluate the continued reception of the Spencer/Lee scholarship on a case-by-case basis for those students who fail to maintain a 3.0 GPA.

## **MISSION STRATEGY USA/CANADA, CHURCH OF THE NAZARENE GLOBAL MINISTRY CENTER**

### **Ethnic Ministerial Scholarship**

The Ethnic Ministerial Scholarship Fund (EMSF) awards grants to ministerial students for the payment of tuition costs and text books. Applications are made by the Financial Aid Office. It is the student's responsibility to notify the financial aid office to proceed with application of this scholarship if the student feels as though he/she meets the qualifications of the scholarship.

## OTHER OUTSIDE SOURCES

As stated earlier, students are encouraged to contact local and regional agencies for possible scholarships and grants. The public library is a good source. Searching the Internet for scholarship opportunities is encouraged.

Students can also contact the organizations listed below directly for information regarding their programs and deadlines.

### **Acton Institute for the Study of Religion and Liberty**

161 Ottawa Avenue NW, Suite 301  
Grand Rapids, MI 49503  
(616) 454-3080  
[www.acton.org](http://www.acton.org)

### **Free Methodist Loan/Grant & Free Methodist International Student Scholarship**

Free Methodist Headquarters  
P. O. Box 535002  
Indianapolis, IN 46253-5002  
(317) 244-3660  
(800) 342-5531

*Qualified candidates of the Free Methodist Church from international areas and conferences of mission origin pursuing an advanced graduate education may apply to the Free Methodist World Fellowship for this scholarship. The scholarship was established by the World Fellowship, and The Department of World Missions.*

### **U.S. Army Reserve Tuition Assistance**

[www.goarmyed.com](http://www.goarmyed.com)

*Available to full-time seminary students who enter the U.S. Army Reserve Chaplain Candidate program*

### **State of Missouri Department of Elementary & Secondary Education Division of Vocational Rehabilitation**

243 NW Executive Way  
Lee's Summit, MO 64063  
(816) 622-0600

*Available to Missouri residents who have physical and/or mental impairment(s) and need assistance in obtaining employment.*

### **Wesleyan Church Loan/Grant Education and the Ministry of the Wesleyan Church**

P.O. Box 50434  
Indianapolis, IN 46250-0434  
[www.wesleyan.org/loangrant](http://www.wesleyan.org/loangrant)

*Students who are members of the Wesleyan Church may request information available on the loan/grant assistance program at the above address.*

### **Scholarship Search Websites:**

[fastweb.com](http://fastweb.com)  
[scholarships.com](http://scholarships.com)  
[google.com](http://google.com)

Please note: The sources listed here are for informational purposes only. NTS does not necessarily endorse or promote any of the sources listed here. While NTS makes every effort to ensure the accuracy of this information, it can, and may, change at any time. NTS does not assume responsibility for outdated or changed information but will try to keep the information as up to date as possible.

## GOVERNMENT LOAN PROGRAM

### WILLIAM D. FORD FEDERAL DIRECT LOAN (DL)

A William D. Ford Federal Direct Loan (DL) is a type of financial assistance that must be repaid with interest. In order to receive an educational loan, a student must sign a master promissory note, a legal agreement committing to repay the loan. The Financial Aid Office strongly encourages students to keep their educational loan indebtedness to a minimum. Most ministries for which the Seminary equips students are not high paying and thus repayment may be quite burdensome.

Complete information and application for the William D. Ford Federal Direct Loan (DL) is available from most financial institutions and from our Financial Aid Office. For more information and counsel, students may contact the Financial Aid Office and a staff member will be glad to discuss all aspects of applying, receiving, and repaying loans. Students are encouraged to do this before they begin the application process so that they have a better understanding of what is involved in securing the loan. Educational debt should not be assumed without serious thought and discernment. Before loan funds can be disbursed to the student's account the student must participate in "entrance" loan counseling. It is the student's responsibility to complete "exit" counseling within 90 days of graduation or ceasing to be enrolled at least half-time so that he/she understands all aspects of repayment, deferment, etc. All students will receive documentation that includes instructions on completing this counseling. The counseling may be completed completely online at [www.studentloans.gov](http://www.studentloans.gov). This is the Department of Education's preferred way that students complete counseling requirements.

Within the bounds of a calculated needs-analysis limit established by the U.S. Department of Education, students may be eligible to borrow up to \$20,500 in unsubsidized funds per year. You cannot borrow more than your cost of attendance. So while you *potentially* may borrow the above amount, your individual eligibility may not allow you to borrow that full amount. However, while rarely needed, if at all, an independent graduate student may apply for and borrow a graduate PLUS loan up to the full cost of attendance. Please be aware that these types of loans usually carry a significantly higher interest rate than normal unsubsidized loans and the applicant must also pass a credit background check. By initiating the background check upon application for the PLUS loan, your credit score and history will be affected. On August 9, 2013 President Obama signed the Bipartisan Student Loan Certainty Act of 2013 (P.L. 113-28), changing how student loan interest rates are determined. The bill links interest rates on new federal education loans made on or after July 1, 2013 to the 10-year Treasury rate, plus a fixed margin. The interest rates on new loans are still fixed for the life of the loan; however, each year's new loans will have different fixed rates, based on current market rates.<sup>ii</sup> Thus, whether you are in-school, in-grace, or in-deferment, your interest rate will remain the same.

The unsubsidized Direct Loan is available to students who may not qualify for a subsidized loan, which as of July 1, 2012, is all graduate level students. The federal government does not pay interest for unsubsidized loans. The student is required to pay all interest throughout the life of the unsubsidized loan. The student may pay the interest while in school or the student can have it capitalized. Capitalizing the loan principal will mean that interest will accrue on the loan principal

during the in-school period. This will result in a much greater loan debt at the time of graduation or withdrawal. Students may borrow (if eligible) up to \$20,500\* in unsubsidized loans per year, not to exceed the Cost of Education and subject to the student's Estimated Financial Assistance (EFA). Borrowers must meet Satisfactory Academic Progress Standards each pay period (fall and spring semesters and/or summer "trailer") to continue receiving these loans. SAP is checked *even in* semesters in which a student did not borrow loans, and also for any transfer credits that may be applied on your NTS transcript. For example, if you did not borrow any loans during your first year of school, but did not meet SAP standards, and wanted to borrow loans the next year, you may be ineligible to borrow even though you did not borrow loans your first year. This is because SAP is required to be checked every term, even in those terms in which loans were not borrowed. Similarly, if you are a transfer student and transferred in courses that would result in not meeting NTS's satisfactory academic progress standards, you would not be able to borrow until SAP is met. If a student drops all of their courses, withdraws from the seminary, and/or fails all of their courses, NTS may be required to return a portion of the student's loan to the Department of Education. The student will be responsible to pay NTS for any remaining tuition charges on their bill after loan funds have been returned and will not be allowed to enroll in further classes until the NTS bill is paid.

***\*Nazarene Theological Seminary strongly encourages students not to exceed a total government loan indebtedness of \$40,000 for those enrolled in the Master of Divinity program and \$35,000 for those enrolled in the Master of Arts programs. These totals include any outstanding undergraduate and graduate government loans.***

Students applying for William D. Ford Federal Direct Loan (DL) through Nazarene Theological Seminary that would exceed the \$40,000 / \$35,000 threshold must submit a formal, written proposal to the Scholarship/Financial Aid Committee that demonstrates that the student can reasonably anticipate having the resources upon graduation to repay higher indebtedness. This proposal should include documentation of available resources that could be used to pay off the loan in an emergency or documentation of a current salary that is at least equal to the recommended salary for the amount of the loan requested. The Scholarship/Financial Aid Committee on a case by case basis will consider these applications and proposals. NTS has the right to refuse or reduce requested loan amounts on a case-by-case basis. In addition to the above requirements, any student who would, or has the potential, to exceed these thresholds must also meet with NTS's financial literacy advisor to discuss various aspects of accumulating additional debt.

## **LOANS AND FINANCIAL LITERACY**

NTS employs a financial literacy advisor as part of its efforts to inform and educate student loan borrowers about the financial aid process and the positive and negative aspects of accumulating educational debt. NTS is committed to making seminary education accessible and affordable while reducing overall student loan debt. As such, it is NTS policy that any student loan borrower meeting the following conditions must schedule time to meet with the financial literacy advisor as part of obtaining a federal loan at NTS:

- Students who have an aggregate federal loan debt of \$40,000 or \$35,000 for MDiv and MA degrees respectively
- Students who return their signed and dated eligibility letter and wish to borrow their maximum eligible amount within \$1,000

- All first time loan borrowers at NTS (even if you have previously borrowed elsewhere)

## **STUDENT ELIGIBILITY**

To be eligible for assistance through the William D. Ford Federal Direct Loan (DL), a student must be enrolled at least half-time (5 or more credit hours) in a qualified degree program.

The Federal Government requires a FAFSA to be filed for a student to be eligible. This form (Free Application for Federal Student Aid or FAFSA) is issued by the Department of Education. The quickest, and preferred, way to apply is online at [fafsa.ed.gov](https://fafsa.ed.gov).

Please note that Estimated Financial Assistance (EFA) should include all resources the student has available to him/her. Students should include on the FAFSA application any resources from churches, family, friends, outside scholarships other than from Nazarene Theological Seminary, etc. If a student receives outside financial assistance after receiving his/her initial award from the Seminary or has failed to report such financial assistance ahead of time, the student should contact the Financial Aid Office. The initial award from NTS may be affected as well as loan eligibility. In addition, any monies that are sent directly to the Seminary to be applied to the student's account is considered financial assistance by the Department of Education unless it was clearly included on the FAFSA as untaxable income with the assumption that it would be coming in this year. If this has not already been calculated into the above formula, it will need to be done before the next loan disbursement. This often requires an adjustment in the loan amount. Again, it is the student's responsibility to inform the Financial Aid Office of all resources at his/her disposal.

Eligibility for new students and returning students is figured on pre-registration hours. New and returning students should notify the Financial Aid Office if their hours change after submission of the FAFSA. Once eligibility is determined, the student will be given an award letter. If the student is a first-time borrower at NTS, the student will need to complete the Master Promissory Note (MPN) for the amount of loan he/she desires to receive. The MPN may be completed online at [www.studentloans.gov/](https://www.studentloans.gov/). Subsequent loans for future loan periods will be based on the original MPN. The MPN allows the student to receive multiple subsidized and unsubsidized William D. Ford Federal Direct Loans over a maximum ten year period.

## **COST OF ATTENDANCE (COA)**

The Seminary is required to establish a Cost of Attendance (COA) each year. This is an *estimate* of the student's education expenses. Student cost data is gathered from governmental and other sources and is used to determine these costs.

Financial need and cost of attendance are normally figured on a 9-month academic year for full-time and half-time students. The cost of attendance may vary depending on enrollment, living arrangements, spending habits, etc. There are several components that comprise cost of attendance. They are: 1) tuition and fees; 2) allowance for books and supplies; 3) transportation; 4) room and board; and 5) miscellaneous expenses. Items such as dependent care, special needs, etc. are not factored in the NTS COA. If a student has a unique situation, he/she may request in writing to have these expenses be included in the COA. Such a determination will be on a case-by-case basis at the discretion of the Financial Aid Director who will either approve or deny these requests.

It is the responsibility of the student to provide evidence and justification for a COA change. Current Cost of Attendance Figures can be found on the financial aid page of the NTS website. Cost of Attendance is averaged across all NTS campuses. If a student feels that they would like to have their CoA adjusted based on varying factors, they should submit a written request to the Financial Aid Office. Normally, adjusting CoA figures for an independent, graduate student will make little, if any difference in the amount a student may borrow, other than borrowing up to the full cost of attendance with PLUS loans.

## **LOAN DEADLINES**

A student who is interested in receiving a federal loan must complete a Master Promissory Note, along with the other required financial aid application forms. The Financial Aid Office must receive all forms no later than 21 calendar days (excluding holidays) prior to the start of the semester in order to allow sufficient time for the funds to be available on the day of finalization. If all required documents are not received prior to the first published date of the semester, the student is personally responsible for payment of his or her education charges and any disbursement of federal loan funds will be delayed. It is important to get all forms in on time as the financial aid office may need to ask for additional information, or additional steps may need to be taken, upon certification of your loan. When all loan paperwork is returned and any and all other steps completed, your disbursement will, in nearly all cases, be fourteen (14) days *after* the following Monday on which everything was completed. This is due to NTS being required to send you notification of your disbursement date and offer you at least 14 days to respond to the notification to either change your loan amount or cancel your loan.

## **VERIFICATION**

As of July 1, 2012, all NTS students enrolled in qualifying programs are only eligible for unsubsidized loans. As such, unlike prior to July 1, 2012, NTS is not required to verify any of its students, but may do so at our discretion. Any student that the Federal Government's Central Processing System (CPS) selects for verification, NTS may also verify. Though verification is not required, the FAFSA is still required in order to certify a loan.

## **RECEIVING LOAN FUNDS**

Electronic Fund Transfers (EFTs) disbursement will be made no earlier than 10 days prior to the first day of classes for fall and spring semesters. The funds will be applied to the student's NTS account within three days of receiving the disbursement.

Loans disbursements are delivered to the borrower in two installments as required by Department of Education regulations. If the loan period is for a full academic year, half of the loan proceeds will be delivered to the borrower at the beginning of each semester, provided all documentation and steps are completed on time. If not, loan proceeds will be disbursed later in the semester in accordance with the loan deadlines discussed above. If the loan period is only for one semester, NTS will evaluate loan eligibility based on a one semester cost of attendance. Normally, loan disbursements will be made in two equal installments during the semester, once at the start of the semester, and once at the midpoint or just past the midpoint of the semester. Currently, federal regulations allow NTS, at its discretion, and in the best interests and needs of the student receiving

loan funds, for single semester loan periods, to disburse all eligible loan funds in a single installment rather than two equal payments in the semester. This has the potential to change in the future. A student enrolled in a degree program that is one academic year or more in length, but in a remaining period of study that is shorter than a full academic year, will be evaluated for eligibility based on the Cost of Attendance for one semester and may receive two disbursements during the course of the final semester.

EFTs will be directly applied to the student's account to cover educational charges. Any balance left in the student's account after the educational charges are paid will be refunded to the student usually by check. Students also have the option of leaving the remaining balance in their student account. This will be done only with the student's written authorization. At the end of the loan period in the award year for which the funds were received, any remaining balance of loan funds will be returned to the student per Department of Education regulations. Any credit balance on the student account, unless a credit balance authorization form was received, will normally be processed within three business days, but no later than fourteen business days after the EFT disbursement was received. A written notification will be sent via email to the student borrower letting them know of any credit balance available to them.

## **LOAN DEFERMENT**

Loan deferments are available for the purpose of postponing loan payments while attending NTS. These periods do not count toward the length of time you have to repay your loan. During this period of time, no payments are required and interest does not accumulate on subsidized loans. For an unsubsidized loan, you're responsible for the interest from the time the loan is disbursed until it is paid in full. To qualify for a deferment of your subsidized and/or unsubsidized loans, you must be enrolled in at least five credit hours per semester. Receiving a deferment is not automatic. You must apply for it. Applications for Federal loan deferments are available from your loan servicer. You may find information on your federal loans and your loan servicers on the NSLDS website at <https://www.nsls.ed.gov> For Federal Perkins loans, deferment forms may be obtained by contacting the school that made you the loan or the school's servicing agent.

## **SCHOOL REFUND POLICY**

All tuition and fees must be paid in full at the start of each semester in which you are enrolled. If classes are dropped, tuition is refunded on a pro-rata basis according to the current refund schedule. Fees and scholarships are not refunded. Please be aware that if you make any changes in the number of hours in which you are enrolled, your student loans, scholarships, grants or faculty assistantship will be adjusted accordingly based on your drop date. Students receiving Federal Stafford Student Loans should consult the Student Handbook or the Financial Aid Office for refund guidelines regarding those loans. Refund schedules slightly change each semester based on the dates of classes, but generally follow the formulas listed below. Please contact the Financial Aid Office regarding current term refund schedules.



### **Hourly/Block/Online/Arranged/Module Courses:**

Drop prior to or during the first week of class	100%
Drop during the second week of class	75%
Drop during the third week of class	50%
Drop during the fourth week of class	25%
Drop after the fourth week of class	0%

### **COURSE WITHDRAWAL**

Students who are withdrawing from a course(s) should obtain the proper form from the Registrar. Withdrawing from a course may result in an over-award situation if the student drops below half-time or it may result in a lower cost of attendance (COA). If a credit balance (refund) results on your student account as a result of course withdrawal, and this credit balance consists of federal loan funds, NTS may refund the student or return the amount of the credit balance consisting of federal loan funds to the Department of Education, thus lowering the student's overall borrowed loan amount, at NTS's discretion. Students may contact the Financial Aid Office for complete details in advance. The student's loan lender will be notified if his/her hours drop below half-time. If you are a loan borrower and drop below half-time status, your loan grace period will begin and you may be required to begin loan payments before the start of your next enrollment period. Loan exit counseling is required to be completed when a student drops below half-time status. NTS is required to report your enrollment status to the Department of Education. The date that you drop below half-time status is the date when your grace period will begin. After your grace period ends, you will begin repaying your loans.

### **SCHOOL WITHDRAWAL**

The student is responsible for initiating the process of withdrawal from school. Students who are withdrawing from school should first contact the Office of the Registrar and complete the proper paperwork. Students who are borrowers in the Direct Loan Program who withdraw from NTS are subject to a return of Title IV Funds. The treatment of Title IV aid, when a student withdraws is explained below (see Return of Title IV Funds). Loan Exit Counseling must be completed at this time.

### **RETURN OF TITLE IV FUNDS**

When a student withdraws from NTS and that student has received Title IV funds, a calculation must be performed to determine the amount of Title IV funds earned as of the date he or she withdraws from school. If the student received (or NTS received on the student's behalf) less assistance than the amount that the student earned, the student may be able to receive those additional funds. If the student received more assistance than the student earned, the excess funds must be returned by NTS and/or the student.

The effective date of withdrawal will be based on the date the student begins NTS' withdrawal process, or the date that the student otherwise provides the notification. If both circumstances occur, the earlier withdrawal date is used. Withdrawal date with no official notification is defined as the date determined by the school that is related to a circumstance beyond the student's control.

The midpoint of the payment period or period of enrollment is used in all other instances where a student withdraws without providing official notification, including when a student fails all classes in a given semester with unearned “F” grades, unless an earlier date than the midpoint can be accurately determined by contacting the student’s professors, etc. NTS’s requirements and procedures for officially withdrawing from school are available in the NTS Student Handbook and the NTS Catalog. The Office of Enrollment Services and the Academic Dean’s Office, respectively, can provide a copy of these documents to the student. The student may also find these documents on the NTS website ([www.nts.edu](http://www.nts.edu)).

The amount of assistance a student has earned is determined on a pro-rata basis. For example, if the student completed 30% of his/her payment period, the student earns 30% of the assistance the student was originally scheduled to receive for that period. Once the student has completed more than 60% of the payment period, the student earns all the assistance he/she was scheduled to receive for that period. NTS is prohibited from performing a “pre-calculation” and tell students and/or professors, or anyone else needing to be involved in the withdrawal process, of when a student may reach the 60% point in the semester in order to deliberately avoid having to return any funds to the government.

NTS will calculate the amount of unearned Title IV funds that must be returned by the school to the Department of Education, i.e. the lending institution of the loan. These refunds will be returned to the Department of Education within 45 days of the withdrawal date in the following order: first, Federal Unsubsidized Loan funds, and second Federal Subsidized Loan funds.

NTS will also calculate the amount of unearned Title IV funds due from the student. Any loan funds that the student must return are repaid in accordance with the terms of the Master Promissory Note. That is, the student makes scheduled payments to the holder of the loan over a period of time. Remember that any refund the government is given decreases the student’s debt amount.

The requirements for the Title IV program funds when you withdraw are separate from any refund policy that NTS may have. Therefore, the student may still owe funds to NTS to cover unpaid institutional charges after any unearned aid is no longer applied to the student’s account. NTS’s refund policy can be found in the NTS Catalog and/or the NTS Student Handbook. The Office of Enrollment Services or the Academic Dean’s Office, respectively, can provide a copy to you. You may also find these documents on the NTS website ([www.nts.edu](http://www.nts.edu)).

## **PROFESSIONAL JUDGMENT**

The Higher Education Amendments of 1992 give a Financial Aid Administrator the authority to make adjustments to a student’s Cost of Attendance (COA) and Expected Family Contribution (EFC) on the basis of an individual student’s special circumstances rather than circumstances that exist across a class of students. Adjustments can increase or decrease a student’s EFC or COA.

This authority was granted based on the idea that the standard criteria applied in need analysis is appropriate for the majority of families, but also that there are many situations where the standard methods will not provide an accurate measure of a family’s financial strength.

It is our objective in making a professional judgment to be fair and equitable to all students and to be consistent with all students. However, when making adjustments for unusual expenses, the Financial Aid Administrator will take into account that the Income Protection Allowance (IPA) is already included in the Estimated Family Contribution (EFC) to account for modest living expenses.

Additional costs (loss of employment, study-abroad expenses, disability-related expenses and dependent-care expenses) are only considered upon an individual student's written request and only if the student's eligibility is less than the maximum subsidized loan limit for an academic year (\$8,500).

Procedures: Students need to put in writing the reasons why they feel professional judgment is appropriate in their specific situation. The student must document this need with receipts, doctor's letter, etc., which pertain to the issue. These documents are to be submitted to the Financial Aid Director. If the Financial Aid Director deems it appropriate, the amount of the professional judgment will be sent for recalculation to the Department of Education. The student will be called or sent a letter indicating the result of this recalculation.

Appeals: Students can appeal the denial of professional judgment directly to the Financial Aid Office. This needs to be done within 30 days of the professional judgment decision. The Financial Aid Office will then have two weeks to respond to the appeal.

## **GRADUATION**

When a student, who is a current or past Federal Loan Borrower, graduates from NTS, Loan Exit Counseling must be completed as required by the Department of Education.

## **SATISFACTORY ACADEMIC PROGRESS STANDARDS**

To be eligible for assistance from any program administered by Nazarene Theological Seminary, a student must meet the eligibility requirements of the program for which he/she is applying. For continued eligibility to receive funds from the Federal Loan program, a student must be making satisfactory progress toward the completion of his/her course of study.

### **I. MEASURABLE SATISFACTORY ACADEMIC PROGRESS STANDARDS**

#### **A. Hours Completed**

1. A **full-time** student receiving Federal Loans must complete at least 9 credit hours each semester of enrollment.
2. A **half-time** student receiving Federal Loans must complete at least 5 credit hours each semester of enrollment.
3. The following shall not be considered as credit hours completed:  
F--Failing grade W—Withdrawal I—Incomplete Audit--No credit U—Unsatisfactory IP—In

Progress

#### **B. Grade Point Average**

Every student receiving Federal Loans must maintain a 2.0 either in a given semester or as a cumulative grade point average. Please note: There is potential to have a greater than 2.0 GPA overall (cumulative), but poor semester performance which could lead to a loss of eligibility.

Missing Grades: If a missing grade is not updated when Satisfactory Academic Progress is evaluated for the payment period, the Registrar's Office will be notified. If the grade is not updated within 10 days of notification, the grade will be considered an "I—Incomplete" for

evaluation. You may receive a warning or suspension resulting from this, and loan disbursements will be delayed, but you may request for re-evaluation at a later time when a grade has been recorded.

**II. LIMITATION OF ELIGIBILITY OF FEDERAL ASSISTANCE**

The maximum number of semesters (including summer trailers) for which a student may receive financial assistance is 18. At the same time the minimum hour completion requirement is as follows:

Calendar Year Completed		1	2	3	4	5	6	7
8	9							
Required Number of Credits Successfully Completed	9	18	27	36	45	54	63	70
76								

Provided all other eligibility requirements are met, a student who is not keeping up with the required completion hours will be placed in a warning status if the pace can be met within the current academic year. If the pace cannot be met, or the student attempts to maintain pace but fails to do so, the student will be placed in a suspension status and will not be able to further borrow until hour completion is met.

**III. FINANCIAL ASSISTANCE WARNING**

In the event that a student fails to complete the required number of hours (I-A) or the required GPA (I-B) he/she may continue to receive financial assistance but will be issued a warning. As a result, he/she must achieve a semester GPA of at least 2.0 and earn the minimum credits for his/her enrollment level (5 credit hours for part-time and 9 credit hours for full-time).

**IV. LOSS OF FINANCIAL ASSISTANCE**

If a student is issued a warning and fails to meet the terms of the warning (i.e., completing the appropriate number of hours and/or appropriate GPA) he/she will be considered making unsatisfactory progress and will be suspended from the Federal Loan program. This means immediate termination of all Federal Loans received from the federal aid program until the student completes 9 credit hours with at least a 2.0 GPA, at which point the student will be reinstated into the Federal Loan program. The student must request reinstatement in writing.

**V. APPEALS**

- A. Students who are denied financial assistance will have the right to appeal in writing to the Director of Financial Aid to be reinstated. The appeal should include an explanation of the failure to maintain SAPS as well as a plan by which SAPS can be reasonably accomplished in the future. Detailed information on what constitutes a successful appeal can be requested from the financial aid office. All appeals must be received within 30 days of suspension notification.
- B. The Director of Financial Aid will then review the appeal and with advice from the Administrative Group determine whether the suspension should continue. The student will be advised in writing of the decision.
- C. If approved, the student will be reinstated into the Federal Loan program and placed on probation status.

## **PROBATION**

If a student has been placed on probation and fails to meet the terms of the probation (completing the appropriate number of hours and/or appropriate GPA) he/she will be considered making unsatisfactory progress and will be placed on Financial Assistance Suspension. This means immediate termination of all financial assistance received from the federal aid program.

## **REINSTATEMENT**

To be reinstated a student must, on his/her own resources, complete 9 credit hours with at least a 2.0 GPA in the semester the credit hours are taken, and have a cumulative GPA of at least a 2.0, at which point the student will be reinstated into the Federal Loan program.

## **GOVERNMENT LOAN REPAYMENT OPTIONS**

A standard ten-year repayment option allows students to keep costly interest payments low and retire their education loan debt in the shortest period of time. Some students, however, require more repayment flexibility. Under the existing William D. Ford Direct Loans (DL), students have access to a wide variety of repayment options, as well as special relief for unique circumstances. The following repayment options are available for students. More information can be found at <https://studentaid.ed.gov/sa/repay-loans/understand/plans>:

Standard – Fixed monthly payment amount paid over 10 years or 120 months.

Graduated – Varying monthly payment amounts (smaller payments early in the repayment schedule, and larger ones later when earnings will probably be greater)

Income-Sensitive – The amount of a borrower's installment payment is adjusted annually, based on the borrower's expected total monthly gross income

Income-Based – Available to Stafford and graduate PLUS borrowers demonstrating "partial financial hardship."

Extended repayment – Available to borrowers who received their first federal loan on or after Oct. 7, 1998, and who accumulate more than \$30,000 in federal education loan debt. Under this plan, the student may have up to 25 years to repay his/her student loans.

Online student loan repayment calculators (such as those at [www.finaid.org](http://www.finaid.org) and [www.studentloans.gov](http://www.studentloans.gov)) help graduates calculate monthly payments under standard conditions (equal monthly payments for 10 years). Flexible repayment options are also available, such as standard, graduated, income-sensitive, or graduated repayment (consult your lender or loan servicer). Loan consolidation can bundle multiple loans into a single monthly payment and extend the repayment period. Recent graduates who have not yet found a job or who encounter economic difficulties can consult with their lender/loan servicer about whether they qualify for a deferment or forbearance to temporarily suspend or reduce their monthly loan payments.

## **NTS STUDENT RIGHTS AND RESPONSIBILITIES OF A LOAN AND/OR SCHOLARSHIP**

While receiving financial aid from NTS, you have the right to:

- Information regarding the procedures to apply for aid, types of aid, how financial need is determined, and criteria for awarding aid;
- Know that awards are determined each year based on eligibility and available funding, are awarded programmatically using the same criteria, thus assuring fair and consistent awarding practices;
- Know that aid is applied uniformly and equitably to all financial aid applicants by means of a systematic process, and that awards are offered in compliance with federal guidelines;
- Understand that financial aid is based on need calculated from the information that is provided on the Free Application for Federal Student Aid (FAFSA) and an estimated Cost of Attendance (COA) that includes full-time enrollment and housing status;
- Appeal decisions made by the Office of Student Financial Assistance;
- Know that all students' records are confidential and will not be released without your written consent other than what may be allowed by law under FERPA regulations.

While receiving financial aid from NTS, you have the responsibility to:

- Notify the Office of Student Financial Assistance of any awards (scholarships, waivers, etc.) not already listed on the student's billing statement (which can be viewed through the student portal), as well as any changes to enrollment status as changes could impact financial aid awards. Note: Total awards from all sources cannot exceed financial need and/or the Cost of Attendance. We reserve the right to adjust awards due to over-award or over budget in accordance to federal regulation;
- Know that only courses toward your degree requirements count for financial aid purposes;
- Review and understand all information and instructions, meet deadlines, and provide requested information and/or documentation accurately, and on time. Errors and omissions can cause delays and may prevent you from receiving assistance;
- Understand that not attending and/or not completing classes may impact financial aid;
- Monitor the student portal for individual requirements and/or contact the Financial Aid Office; track announcements through the NTS website, the NTS announcer, moodle, and/or social media and checking it regularly;
- Maintain Satisfactory Academic Progress (SAP) and meet all other criteria for federal, state, institutional and/or private funding received;
- Officially drop classes by the Drop/Add deadline to avoid an obligation to pay tuition charges owed to NTS;
- Understand that misrepresentation is a violation of the law.

## Notes

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<sup>i</sup> This handbook is a supplement to the NTS catalog. It describes the process of the financial aid policies found in the NTS catalog. This handbook is subject to changes without notice except that which may be required by law.

<sup>ii</sup> <https://www.edvisors.com/college-loans/federal/stafford/interest-rates/> (accessed March 15, 2018)