

“AMHERST ONLY” FINANCIAL AID

We hope that, in your being offered the option of an “Amherst only” award, you will not focus only on the amount of scholarship assistance from the College, but will also consider the full, longer-range implications of not being eligible for Federal Work-Study and, if you subsequently seek to borrow a student loan, for federal subsidized loans.

If any federal funds are used in a financial aid award “package,” the total amount of financial aid (excluding any unsubsidized student and parent loans) cannot exceed financial need determined using the Federal Methodology – the formula used by the federal government to determine your family contribution and, therefore, your maximum eligibility for financial aid. The College uses another formula, the Institutional Methodology, to determine your family contribution and eligibility for College aid. Sometimes the calculated family contribution determined using the Institutional Methodology is less than the Federal Methodology figure. In such situations, the College may offer financial aid from its own resources and not use any federal resources (other than possibly a Pell Grant, which is an entitlement under federal rules, or a Robert C. Byrd Scholarship, which is merit-based federal aid). In deciding whether to accept an “Amherst only” financial aid award, you should weigh the comparative advantages and disadvantages of the financial aid awards.

Student Employment

If you are awarded **Federal Work-Study**, you may be employed in various on-campus positions, but may also be employed in off-campus agencies. In addition, you may work off campus during the summer and Interterm under the program’s auspices.

If you are awarded **Institutional Student Employment**, you may be employed only in on-campus positions. This excludes College-related, but separately incorporated organizations such as Woodside Children’s Center, the Little Red Schoolhouse, and Five Colleges, Inc., each of which, though physically on or adjacent to the College’s campus, are “off-campus” for student employment purposes.

Grant Aid

If you are eligible to receive **need-based grant aid from federal or state sources**, it must be awarded in accordance with the Federal Methodology. If “Amherst only” resources are used, need-based state and federal grants (other than Pell Grants) will be replaced with Amherst College Scholarship assistance.

If you receive other scholarship or grant aid from outside sources or a tuition benefit, this assistance is unaffected by “Amherst only” aid.

The reason for our offering you an “Amherst only” aid award is so that you may receive a greater amount of **Amherst College Scholarship** under the Institutional Methodology than would be possible under the Federal Methodology. The award is still need-based, but follows the College’s own guidelines for determining need, rather than being bound by the strictures of the Federal Methodology.

Student Loan

Amherst will not include student loans in initial award packages. In some cases, however, a student may seek to borrow – for example, to make up a shortfall in summer savings, to shift student employment to student loan in the aid award, or to purchase a personal computer.

In these cases, a student may borrow **Amherst Student Loan** from College resources. These are need-based, long-term loans that have a 5-percent fixed interest rate during repayment; a six-

month grace period after graduation or termination of studies; deferment provisions for student status, hardship, and disability; and cancellation provisions for death or total, permanent disability. Because Amherst Student Loans are from private sources, they cannot be incorporated into a Federal Consolidation Loan.

Students with “Amherst Only” aid are not eligible to borrow subsidized federal student loans, but are eligible to borrow unsubsidized federal or private alternative student loans.

If you decide not to accept an Amherst only award in order to preserve eligibility for federal student aid, you may subsequently consider borrowing a federal student loan. Here are brief descriptions of subsidized federal student loan programs

Federal Perkins Loan. A long-term loan for students with federal financial need, that has a 5-percent fixed interest rate during repayment; a nine-month grace period after graduation or termination of studies; deferment provisions for student status, hardship, and disability; cancellation provisions for death or total, permanent disability; and cancellation provisions for various kinds of post-graduation employment (e.g., certain teaching service, military service, etc.). The repayment period may be as long as ten years.

Subsidized Federal Direct Stafford/Ford Student Loan. Students with federal financial need you may borrow a long-term loan that has a 5.4 percent fixed interest rate (for loans made in 2009-10) during repayment; a six-month grace period after graduation or termination of studies; deferment provisions for student status, hardship, and disability; and cancellation provisions for death or total, permanent disability. There are four options for repayment of Direct Loans, including: standard, ten-year, fixed payments; graduated repayment; extended repayment; and income-contingent repayment.

In addition, federal loans may be “consolidated” under a **Federal Consolidation Loan** program that can extend repayment for a longer period of time,

Accepting an “Amherst Only” award does not limit you from borrowing an **Unsubsidized Federal Direct Stafford/Ford Student Loan** or your parents from borrowing a **Federal PLUS** loan (Parent Loan for Undergraduate Students).