

REED COLLEGE FINANCIAL AID OFFICE

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2006–07 Financial Aid Handbook

Reed's philosophy

Higher education is a valuable investment. Reed College believes that you and your family, as beneficiaries of that investment, have the primary responsibility for paying for your college costs. The college assumes that you and your family will contribute to the fullest extent possible from income and assets, but recognizes that a family's resources may be insufficient to fully fund the cost of a Reed education. Reed is committed, therefore, to providing a comprehensive, need-based financial aid program that seeks to bring the college's educational opportunities within reach of all qualified students. The goals of the financial aid program at Reed, as affirmed by the board of trustees, are focused on student access, student diversity, and achievement of enrollment goals.

Major financial aid policies

Believing that everyone at the college benefits from having a diverse student population from a wide range of economic and social backgrounds, Reed College is committed to the philosophy that financial aid should be awarded on the basis of financial need to provide access to an education to the greatest number of students. Reed offers no institutional aid based solely on merit and distributes financial aid resources using an equity packaging model.

The major financial aid policies affirmed by the Reed College board of trustees include:

- meeting the full demonstrated need of those students offered institutional aid
- meeting the full demonstrated need of all continuing students
- keeping the self-help components (loan and work) of a financial aid package as low as possible
- basing eligibility for institutional funding strictly on need
- limiting eligibility for institutional financial aid to four years

Funding priorities

Reed's primary commitment is to fund continuing students; we want to ensure that once a student starts at Reed, he or she can afford to stay. After reserving funds for continuing students, the college funds first-year, transfer, and international students who demonstrate need and who meet all admission and financial aid application deadlines. Because of our financial commitment to continuing students, some first-year and transfer students who apply for admission and/or financial aid after our stated deadlines may not be offered institutional financial aid for their first year at Reed.

Reed meets the full demonstrated institutional need of all students who have attended Reed at least two semesters, who are maintaining satisfactory academic progress (six Reed units annually and a minimum 2.0 grade point average), and who file their applications on time. First-time freshmen or transfer students who are not offered institutional assistance for their first year at Reed and choose to enroll will have their full demonstrated institutional need met in subsequent years, as long as they file the requisite financial aid applications on time and meet satisfactory academic progress requirements.

Application requirements

Application packets for continuing students are available in late fall for the following academic year; students are notified before winter break that they may pick up the application in the financial aid office. Entering students should complete the Reed financial aid form (included in the admission application) and must file

the Free Application for Federal Student Aid (FAFSA) and the College Scholarship Service (CSS) Profile. All communication regarding the status of a student's application for financial aid will be sent to the student; status letters are not sent to parents.

For your financial aid file to be complete, you must submit the following forms and supporting documents by the deadlines:

■ **The Free Application for Federal Student Aid (FAFSA)**, which determines your eligibility for federal and some state funding; available from college financial aid offices and high school guidance and counseling offices, or file electronically at www.fafsa.ed.gov.

■ **The College Scholarship Service (CSS) Profile**, which assesses your eligibility for institutional grant funds; file electronically at www.collegeboard.com.

■ **The Reed financial aid form**, which is included in the application for admission to Reed; it is required only for entering freshman and transfer applicants.

■ **Copies of your and your parents' IRS income tax returns, and W-2 and 1099 statements**, to verify the income information you

submit on the FAFSA and Profile. Tentative awards will be made to entering freshman and transfer applicants on the basis of the information submitted on the FAFSA and Profile, and the tentative award will be revised once the appropriate IRS income tax returns are submitted to the financial aid office. Awards are not made to continuing Reed students until the appropriate IRS income tax returns are submitted to the financial aid office.

■ The **verification worksheet**, which confirms the size of your parents' household and number of family members attending college, as well as the amount of your and your parents' untaxed income. For entering students, the verification worksheet is included with the initial financial aid award announcement. For continuing students, the verification worksheet is included in the application packet.

Returning after a leave of absence, medical leave of absence, or being readmitted to the college

Reed students who have been granted a leave of absence, medical leave of absence, or who are applying to be readmitted to the college may apply for financial assistance on the same basis as continuing students, with the same forms, supporting documents, and deadlines. *The deadlines are the same for students returning for the spring semester of an academic year.* Applications for financial aid completed after the May 1 deadline will be considered on a funds-available basis. Students returning to Reed must request a financial aid application packet from the financial aid office to reapply for assistance.

In addition to submitting the required forms and supporting documents by the May 1 deadline, students who have withdrawn from the college must be readmitted by the registrar's office before an offer of financial assistance will be made. Students on a medical leave of absence must be approved to return to Reed before an offer of financial assistance will be made.

Late applications

Late applications have serious consequences. The financial aid office attempts to notify all continuing students who have picked up a financial aid application packet of the status of their financial aid application before the deadlines; however, it is ultimately the student's responsibility to make sure that his or her financial aid file is completed on time. If you are a continuing student and complete your financial aid file after May 1, but before July 1, the amount of your Reed grant will be reduced. The percentage of reduction will vary depending upon the availability of institutional grant funds remaining, but usually ranges from 10 percent to 20 percent. Continuing students who complete their file after July 1 will receive no institutional funding. All federal funds are awarded on a date-prioritized basis, and no further awards are made once the funds have been expended.

Entering students who complete their financial aid files after the established deadlines will receive no institutional funding and will only be awarded available federal funding.

Determining financial need

The Reed financial aid office uses the information you submit on the FAFSA, CSS Profile, and IRS income tax returns to determine your eligibility for financial aid. The federal need analysis formula (FM) is used to determine eligibility for all federal financial aid programs. To achieve equity and consistency in awarding institutional grants, the college uses the nationally standardized need analysis formula, Institutional Methodology (IM), developed by the College Board, to calculate your expected family contribution (EFC).

Your family's *ability* to pay, not *willingness* to pay, is measured by the IM formula. The purpose of IM is not to produce an estimate of available cash or to reflect how parents may wish to use their income, assets, and borrowing power. Rather, its function is to calculate similar contributions for families in similar circumstances, and to expect families with different circumstances to contribute appropriately different amounts. Your

Financial aid deadlines for continuing Reed students

- File the FAFSA with the federal processor by April 1
- File the Profile with CSS by April 1
- Submit student and parents' IRS income tax forms, W-2 and 1099 statements, and verification worksheet to the financial aid office by May 1

family's current circumstances (particularly family size, income, and assets) form the basis for determining your family's ability to pay for educational expenses. Similar to other major purchases such as a home or car, your family may choose to finance this resulting contribution from savings, current income, or future income (borrowing).

The formula used to calculate your expected family contribution is fairly complex. Four resources are considered when determining your expected family contribution: parents' income, parents' assets, your income, and your assets. The following sections will provide a brief overview of how your expected family contribution is calculated using these four resources. Generally, the college uses the Institutional Methodology (IM) formula to determine your expected family contribution and calculate your demonstrated financial need. Occasionally, the federal need analysis formula will produce a higher expected family contribution than the institutional formula. In these cases, the federal expected family contribution is used to calculate your demonstrated financial need. Other deviations from the IM formula are noted in this section.

Your expected family contribution is subtracted from the cost of attendance, and the result is your demonstrated financial need. The college attempts to meet your full demonstrated need as long as you are making satisfactory academic progress and file the appropriate applications by the established deadlines.

Cost of attendance

The cost of attendance is what the college estimates it will cost you to attend Reed for one year. Included in the cost of attendance are your direct costs of tuition, fees, room and board (if you live on campus), and indirect cost estimates for books and supplies, personal expenses, and transportation. If you live off campus, a standard allowance for room and board is included and is determined by surveying students living off campus to determine the average amount that is spent on living expenses. If you live in campus housing, but do not contract with the college for board, your actual room charges and the off campus board allowance will be included.

The expected parent contribution

The analysis of your parents' income begins with their adjusted gross income (AGI) from their IRS (tax) return. To determine the total income to be used in the need analysis calculation, however, adjustments are made to the AGI, such as disallowing certain losses allowed by the federal income tax system, and adding income not taxed by the federal government.

Examples of such untaxed income includes, but are not limited to, child support, some social security benefits, and current year contributions to tax-deferred pensions and savings plans. For a complete list of untaxed income used in the calculation of your expected family contribution, see Worksheet A and B of the FAFSA. Next, allowances are subtracted from your parents' total income to reflect non-discretionary expenses. Allowance against income include child support paid, federal income taxes, state and local taxes, FICA taxes, and medical or dental expenses. An employment allowance is calculated for single parents or when both parents work, and an annual education saving allowance is calculated for families with pre-college age children.

Finally, there is an income protection allowance, based on the size of your family, that reflects basic subsistence—that is, the level below which a family has no discretion about how it spends its income. After subtracting

these allowances from total income, a percentage of the remaining available income is calculated, and the result becomes your parents' contribution from income.

The analysis of your parents' assets includes the amount of any cash, savings, and checking accounts; the equity they have in their home; the equity they have in any investments, real estate, business or farm; and assets held in the name of your siblings, including pre-paid tuition plans. Retirement savings, including IRA accounts and pension plans, are not included as assets in the need analysis formula. As with income, allowances are made to exclude a portion of your parents' assets from the need analysis calculation.

An emergency reserve allowance, which is based on the size of your family and represents six months of average family expenses, is calculated to protect assets in case of unanticipated events such as illness or unemployment. A cumulative education savings allowance recognizes the need for a family to save to finance their children's college expenses and is calculated, based on parental income and family size, to protect assets equal to the amount the family would have accumulated if they had saved a specified percentage of their income each year for each child. This allowance is designed to prevent families who have conscientiously saved for college from being penalized in the need analysis system. Finally, a low-income asset allowance is calculated for families with very low income to recognize that those families may need to draw on assets to cover basic living expenses. After subtracting these allowances from your parents' income, a percentage of the remaining available assets is calculated, and the result becomes your parents' contribution from assets.

Student contribution

As with parental income, your taxable and non-taxable income is considered in the need analysis formula. Allowances against your total income include federal income tax, state and other taxes, and FICA tax. After subtracting these allowances from your income, 50 percent of the remaining income becomes your contribution from income.

Your student contribution from income is

compared to the college's minimum student contribution from income. The college includes a minimum contribution from each student when determining eligibility for institutional financial aid. The minimum contribution is currently \$1,500. If your student contribution from income is greater than Reed's minimum contribution, then your contribution from income is used. If your calculated student contribution from income is less than Reed's minimum contribution, the minimum contribution will be used in calculating your eligibility for financial assistance.

The college uses 35 percent of the current value of your savings, stocks, bonds, and other assets as your contribution from assets. If you enter Reed with more than \$10,000 in assets, your contribution from assets will be established at the time you enter Reed for your subsequent years of financial aid eligibility. For example, a student with \$20,000 in assets would have a contribution from assets of \$7,000 for the freshman year, \$4,550 for the sophomore year, \$2,958 for the junior year, and \$1,922 for the senior year. If you enter Reed with less than \$10,000 in assets, your contribution from assets will be 35 percent of the current value of the assets listed on your financial aid application each year.

Undergraduate Independent Student Definition

Reed College Financial Aid (Reed Grant)

For the 2006-07 academic year, you will be considered to be an independent student, for the purpose of determining eligibility for institutional financial aid (Reed Grant), only if you meet one of the following two conditions:

- Born before January 1, 1982; or
- Ward of the court or both parents are deceased.

If you meet one of these conditions, your eligibility for Reed Grant is based on your (and your spouse's, if you are married) income and assets. Your expected contribution from income and assets is dependent upon your age, marital status, and/or the number of your dependents. The financial aid office can

tell you about the need analysis formula that would be applicable to your situation.

Reed College expects you and your parents to assume the primary responsibility for your educational expenses; therefore, if you do not meet one of the two conditions listed above, you must complete the parental income and asset portions of the College Scholarship Service (CSS) Profile to be considered for institutional financial aid (Reed Grant). This policy was adopted March 29, 2006. If you attended Reed College prior to July 1, 2006, your dependency status for determination of institutional aid eligibility may be based on the federal definition of an independent student. Contact the financial aid office for a detailed description of the continuing Reed students unaffected by this policy change.

Federal Financial Aid:

For the 2006-07 academic year, you will be considered to be an independent student, for the purpose of determining eligibility for Federal Pell Grant, Federal SEOG Grant, Federal Perkins Loan, Federal Stafford Loan, and Federal Work-Study, if you meet one of the following conditions:

- Born before January 1, 1983;
- Veteran of the U.S. Armed Forces;
- Ward of the court or both parents are deceased;
- Married;
- Graduate or professional student; or
- Have legal dependents, according to federal definition.

If you meet one of these conditions, your eligibility for federal financial aid is based on your (and your spouse's, if you are married) income and assets. Your expected contribution from income and assets is dependent upon your age, marital status, and/or the number of your dependents. The financial aid office can tell you about the need analysis formula that would be applicable to your situation.

If you have questions regarding your dependency status for financial aid eligibility at Reed, please contact the financial aid office.

Non-custodial parent contribution

If your parents are separated or divorced, only your custodial parent's (and stepparent's, if applicable) financial information should be included on the FAFSA and CSS Profile. The college believes that the financing of an undergraduate education is first of all a parental responsibility and that the college's resources should be used to assist students whose families cannot meet all of the educational costs; therefore, if your parents are separated or divorced, your non-custodial parent is required to provide a letter indicating how much he or she will contribute yearly to your educational expenses. The contribution from your non-custodial parent will be considered when calculating your demonstrated financial need.

Siblings in college

Once the total amount your parents are expected to contribute toward educational expenses is calculated, the contribution is pro-rated, depending upon how many dependents in your parents' household are enrolled in college. There are two exceptions where Reed does not pro-rate the parental contribution. The college does not adjust the total parental contribution to recognize siblings who are enrolled in a graduate or professional program, or siblings who are enrolled in college in order to complete their high school diploma or who are enrolled simultaneously in high school and college.

The financial aid package

The process of combining differing types of financial aid to meet a student's demonstrated need is called packaging. Reed uses equity packaging to distribute federal, state, and institutional financial aid resources. In equity packaging, the first component of a financial aid package is self-help. Self-help is defined as loans and work opportunities. Every financial aid package at Reed has a self-help component that is determined by the student's year in college and level of demonstrated need. The following self-help components will be included as part of a student's financial aid package:

Loans

- \$2,500 first-year students
- \$3,500 second-year students
- \$4,500 third-year students
- \$5,500 fourth-year students

Work

- \$700 for students with medium to high federal need.

After subtracting the self-help component from a student's demonstrated financial need, a student's remaining need is met with federal, state, and/or institutional grant funding.

Sources of financial aid

Reed's financial aid program includes federal, state, and institutional funding sources. Financial aid may be in the forms of grants, loans, and employment opportunities.

If you qualify for institutional grant funding, your initial financial aid package will include a Reed grant. The Reed grant fund includes funds from the operating budget, as well as income from endowed scholarships and restricted gifts. Over one fourth of the Reed grant fund comes from need-based endowed scholarships and restricted gifts created by alumni, parents, and friends of the college. Each fall, the financial aid office notifies those students whose Reed grant has been funded by an endowed scholarship or restricted gift. Students may be asked to write thank-you notes to the donors of the scholarships that funded their Reed grant.

Types of financial aid

Grants

■ **Reed grant:** This grant is funded by Reed College and awarded on the basis of financial need to undergraduate students who have not earned a bachelor's degree. Students who have earned a bachelor's degree are ineligible for institutional funding.

■ **Federal Pell Grant:** This grant is funded by the federal government, and eligibility is determined by the Department of Education based on the information provided on the FAFSA. The Pell Grant is available to undergraduate students.

■ **Federal Supplemental Educational Opportunity Grant (SEOG):** This grant is funded by the federal government, and eligibility is determined by the Department of Education based on the information provided on the FAFSA. Grants cannot exceed \$4,000 per year. The SEOG is available to undergraduate students.

■ **Oregon Opportunity Grant:** This grant is funded by the State of Oregon and available to full-time, undergraduate residents of Oregon. Eligibility is determined by the Oregon Student Assistance Commission (OSAC) based on the information submitted on the FAFSA.

Loans

■ **Perkins Loan:** Funded by the federal government, this loan is awarded by Reed College. Repayment and interest accrual (5 percent) begin nine months after you cease to be enrolled at least half time. Loans cannot exceed \$4,000 per year; however, the yearly amount included in a financial aid package is based on the availability of funding and the level of financial need.

■ **Federal Stafford Loan:** This federal loan has an interest rate of 6.8 percent. Eligibility is determined by Reed College, based on the information provided on the FAFSA. Loan funds are provided by private lenders participating in the Federal Stafford Loan program. Repayment begins six months after you cease to be enrolled at least half time. Loans are either *subsidized* or *unsubsidized*. A *subsidized* loan is awarded on the basis of need, and the federal government pays all interest on the loan until the student enters repayment. An *unsubsidized* loan is not based on financial need, and the student is responsible for all interest associated with the loan. Federal regulations limit the annual amount to \$2,625 for freshmen, \$3,500 for sophomores, and \$5,500 for juniors and seniors. The aggregate amount that may be borrowed for all undergraduate study is \$23,000. If you are an independent student as determined by the FAFSA, or a dependent undergraduate whose parents are unable to borrow under the PLUS program, you may be eligible to borrow additional amounts under the unsubsidized Federal Stafford Loan program. Ask the financial aid office for additional information.

■ **PLUS Loan:** PLUS Loans are not packaged as a component of the financial aid package, but are available to families who wish to borrow to finance all or a portion of their expected family contribution. The PLUS loan is a non-need-based federal program that allows parents with good credit histories to borrow to pay the educational expenses of their dependent college students. Parents may borrow up to the cost of attendance minus any other financial aid. The interest rate on this loan is 8.5 percent. Repayment begins within 60 days of disbursement with a maximum repayment period of 10 years. There is no federal interest subsidy on the PLUS Loan.

Employment

■ **Federal work-study:** This federal employment program is administered by Reed. Students may seek jobs on campus through a variety of offices or may find off-campus employment opportunities through SEEDS, the community service office.

■ **On-campus employment:** Students not eligible for federal work-study may have academic year employment as part of their award package. All students can still earn regular student wages at the college.

Outside resources

The two major types of outside resources are benefits and awards. *Outside benefits* are funds to which the student is entitled, such as state and federal grant programs or employment-related tuition benefits. *Outside awards* are generally funded through private sources and selection is based on criteria such as academic achievement or service. The college's ability to meet the demonstrated need of all of all students depends on each student's efforts to obtain and use any and all of the outside resources for which he or she qualifies. If a student is eligible but fails to apply for or declines resources to which he or she would have been entitled, Reed will not replace these shortfalls with institutional grant funds.

Resources from outside of the college reduce your need and consequently affect your eligibility for financial aid from Reed; however, these two types of outside resources have differing effects on the financial aid

package. Outside awards, such as privately funded scholarships, will replace or reduce the components of a financial aid package in the following order:

■ Unmet need for students who have demonstrated need but who were not offered institutional aid

■ The difference between the federal and institutional calculation of the expected family contribution (EFC)

■ Recommended Stafford Loan

■ Perkins Loan

■ Federal work-study or on-campus employment

■ Institutional grant funds (Reed grant)

Outside benefits, such as VA benefits, employment related tuition benefits, or need-based federal and state grants, reduce the Reed grant first, then any recommended loans and work eligibility.

Paying the bill

Disbursement of financial aid funds

Financial aid is disbursed to the student's account only after the verification process is complete and the student's eligibility for financial aid has been finalized. Grant, loan, and scholarship funds at Reed College are disbursed to the student twice each academic year. One-half of the award amount will be credited to the student's account in the business office at the beginning of fall semester and one-half at the beginning of spring semester, unless stated otherwise on the financial aid award announcement. Outside scholarships also will be disbursed half in the fall and half in the spring, unless the scholarship donor specifically requests a different disbursement schedule. Students attending only one semester of the academic year will receive one disbursement rather than two.

Financial aid funds are disbursed to the student's account on the first day of classes each semester. If your federal financial aid creates a credit balance on your account, the business office will send you a refund within three days of disbursement. Refund checks are issued on Wednesdays for credits applied by noon Tuesday and on Fridays for credits applied by noon Thursday.

Memo balances

Financial aid that has been offered to you, but not yet finalized, will appear as a memo balance on your statement of account. If you do not complete the verification process or the proceeds from your loan(s) do not arrive at Reed by the start of the semester, you may still be allowed to defer payment on the portion of your charges that will be covered by financial aid. Once the memo balance expires, however, you are responsible for paying the remaining charges on your student account. Memo balances expire October 15 for fall semester and February 28 for spring semester.

Payment plans

Reed has contracted with Tuition Management Systems (TMS) to offer students and families an interest-free monthly payment option. This plan allows participants to spread all or part of their semester or annual expenses over equal monthly payments without interest. TMS provides an expense planner worksheet to help determine the annual amount to be set up. When calculating deduction from the expenses on the expense planner, federal work-study award amounts and the loan processing fees for the Federal Stafford and PLUS loans should be excluded. The only cost to participate is a small annual enrollment fee. The business office has information about this program.

Establishing and maintaining eligibility

Students who fail to maintain eligibility for federal or state grant programs will not have these resources replaced with institutional grant funds.

Satisfactory academic progress

Satisfactory academic progress for financial aid recipients at Reed College is defined as earning a minimum of six units per year and maintaining a minimum cumulative 2.0 grade point average each year. These requirements will be reviewed at the end of each academic year. If a student does not attend fall and spring semesters of an

academic year, progress will be measured for every two semesters of attendance. For federal funding (such as Pell Grant, SEOG, FWS, Perkins Loan, Stafford Loan, and PLUS Loan), eligibility is limited to a total of 12 semesters of college attendance. For institutional funding, eligibility is limited to a total of eight semesters of college attendance, which includes semesters spent at other colleges or studying abroad, whether or not you received aid those semesters.

If you do not meet satisfactory academic progress requirements, you will be placed on financial aid probation for the following academic year. During the year you are on financial aid probation, you must complete six units as well as make up any credit deficiencies from the prior year. In addition, you must earn a 2.0 grade point average. Students who do not fulfill unit and GPA requirements during the year they are on financial aid probation become ineligible for further federal, state, or institutional financial aid funding.

Underloads

Institutional grant funding is awarded for full-time, undergraduate study. Part-time students are ineligible for institutional funding, and eligibility for federal funding will be pro-rated based on the number of units in which the student is enrolled. Students who successfully petition the college for an underload may petition the Admission and Financial Aid Committee to be considered for institutional funding while taking an underload.

Verification

The financial aid office verifies all applications for need-based assistance. The verification process applies if you are receiving funds from any of the following financial aid programs: Reed grant, Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, federal work-study, Federal Perkins Loan, Federal Subsidized Stafford Loan, and State Student Incentive Grants (such as Oregon Opportunity Grants). To complete verification requirements, you must complete and return the verification worksheet to the financial aid office, along with all required supporting documents and signatures. The financial aid office will pro-

cess verification documents throughout the school year; however, required verification documents must be submitted to the financial aid office by the last day of the academic period for which financial aid was offered or by the last day of the student's attendance, whichever is first. Eligibility for financial aid will be cancelled for students who do not complete the verification process within these established time frames.

Selective service

Federal regulations state that anyone required to register with Selective Service at any time must have done so in order to receive *federal* financial aid. This requirement applies to some state grant programs also. Only students are required to register for Selective Service to be eligible for federal funds. Parents who want to borrow a PLUS Loan don't have to meet the registration requirement.

Drug convictions

Federal regulations state that a drug conviction can disqualify a student for *federal* financial aid. Some state grant programs have adopted these regulations as well. A conviction that was reversed, set aside, or removed from the student's record does not count, nor does one received when the student was a juvenile unless the student was tried as an adult.

If the conduct leading to the conviction occurs during a period of enrollment for which the student is receiving Title IV grants, loans, or work assistance, the student loses eligibility for a specified period of time. If the conduct leading to the conviction does not occur while the student is receiving Title IV aid, a conviction has no effect on the student's future eligibility for aid.

For possession of illegal drugs, a student is ineligible following the date of conviction for:

- One year for a first offense
- Two years for a second offense
- An indefinite period for three or more offenses

For sale of illegal drugs, a student is ineligible following the date of conviction for:

- Two years for a first offense
- An indefinite time for a second offense

If a student is convicted of both possessing and selling illegal drugs, and the periods of ineligibility are different, the student will be ineligible for the longer period.

If a student successfully completes a qualified drug rehabilitation program, the student regains eligibility on the date of completion; however, further drug convictions will make the student ineligible again.

Other topics

International students

Limited funds are available to assist international students who demonstrate need. The process used to determine if an international student will receive aid is very selective and is based on the strength of the candidate's application for admission. In a typical year, 90 to 100 qualified international freshman and transfer applicants compete for 10 to 20 awards. All offers of financial assistance includes grants, work opportunities, and loans. Loans must be repaid to the college.

Entering students who wish to be considered for financial aid and are not Canadian citizens must complete the Reed financial aid form, International Student Financial Aid Application (ISFAA), and the certification of finances form. Forms are available from the financial aid office. Completed forms should be sent to Reed with the admission application by January 15. Continuing students who wish to be considered for financial aid must submit the International Student Financial Aid Application (ISFAA) form by May 1 each year to be considered for financial aid in each subsequent year.

Entering students who are Canadian citizens or a permanent residents of Canada must complete the College Scholarship Service's (CSS) Profile, the Reed financial aid form, and the certification of finances form. Continuing students who wish to be considered for financial aid must submit the CSS Profile by May 1 each year to be considered for financial aid in each subsequent year.

Special circumstances

Because the need analysis formula is standardized, modifications might be necessary to fairly assess the expected family contribution in some individual circumstances. If your family has unique, documentable circumstances that affect your ability to contribute toward your educational expenses, you may request that the financial aid office reevaluate your eligibility for assistance based on those circumstances. Requests for reevaluation must be in writing and must include a detailed description of your family's unique circumstances.

Special circumstances are defined as unique conditions that exist for an individual student, not conditions that exist for a whole class of students. Examples of unique circumstances include substantial unreimbursed medical expenses, an involuntary reduction in income due to company downsizing, or loss of benefits (such as Social Security benefits). Lifestyle choices, such as mortgage and car payments, consumer debt, yearly fluctuations in income (due to loss of overtime, bonuses, etc.), or early retirement (before age 65) are not considered to be unique circumstances, and adjustments to the need analysis formula will not be made to reflect these conditions.

Requests for reevaluation of a financial aid package should be made within one month from the date of the original financial aid award announcement, or as soon as possible after a change in a family's financial circumstances. Often, financial aid funds are committed by July 1 for the following school year, and the college is unable to provide additional funding even though additional need is demonstrated.

House advisers

If you are hired as a house adviser (HA), your financial aid will not change in the first year you serve as an HA. In subsequent years, however, you are required to report the value of any compensation received (such as a free room and board) as untaxed income on the FAFSA and Profile. If you have other taxable and/or non-taxable income in addition to your HA compensation, your eligibility for some federal programs may be affected. The

amount of income generated as a result of your HA compensation will be removed from the college's calculation of your contribution from income before determining your eligibility for institutional grant funding; therefore, any required reduction in your eligibility for financial assistance will be in the loan component of your financial aid package.

Off-campus and foreign study

Students who participate in one of the college's official off-campus study programs have their eligibility for financial aid based on the actual cost of the appropriate program.

The college provides institutional financial aid consideration for only four years. The year (or semester) you participate in an off-campus study program counts towards this total eligibility. If it is necessary for you to be at Reed for a ninth semester because of your participation in an off campus study program, you will not be eligible for institutional financial aid for the extra semester; however, you would still be able to participate in federal financial aid programs.

The process of re-applying for financial aid while you are on an off-campus study program is the same as if you were still at Reed; you should request your financial aid application materials for the following academic year from the financial aid office in December.

Withdrawals and leaves

Students who leave the college must notify appropriate offices, including student services, registrar, business office, and financial aid office. Students who withdraw or take a leave before the first day of classes will have their charges and their financial aid canceled for the period of non-enrollment.

Students who withdraw or take a leave after the first day of classes may be entitled to a refund. The refund of tuition and room and board is based on the percentage of the payment period completed by the student. The effective withdrawal or leave date, established by the student services office, determines the specific period of completion. No refunds of, or adjustments to, the student body fee or the student health

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REED

REED COLLEGE FINANCIAL AID OFFICE

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PORTLAND, OR
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insurance fee are made. Non-federal Title IV financial aid, including but not limited to institutional grants, outside scholarships, and state grants with no federally matched funds will be refunded according to this refund percentage.

For students who are recipients of federal Title IV financial aid, additional calculations must be made for refunds. First, the college calculates the amount of Title IV aid earned by the student for the percentage of payment period completed. If the percentage of payment period completed is greater than 60 percent, the student is considered to have earned 100 percent of their Title IV aid; otherwise, they have earned the actual percentage calculated. Second, the

college compares the amount earned with the amount disbursed to determine the amount that must be returned to the Title IV programs. The amount disbursed is that aid awarded and disbursed to the student's account, plus the Title IV aid awarded that could have been disbursed to the student's account (such as memo balances). Third, the college determines the amount of Title IV aid that must be returned to the Title IV programs by the college and by the student. Aid is returned to the Title IV program in the following program order: unsubsidized Federal Stafford Loan, subsidized Federal Stafford Loan, Federal Perkins Loan, Federal PLUS Loan, Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, and other Title IV programs such as Byrd Scholarships

and state grants with federally matched funds. The business office has more detailed information on the refund policy.

Students who withdraw or take a medical leave of absence must be approved to return to the college before eligibility for financial aid will be reinstated.

This handbook reflects the policies and procedures in effect for the 2006-07 academic year; they may change for future years.