

But What About the 2011-2012 Year ?

Often times—as has been the case in recent years—Congress has failed to pass the twelve appropriation bills before the start of the fiscal year and therefore has operated under a continuing resolution (CR) until the passage of an **omnibus spending bill**, which combines all 12 appropriations bills into one. Congress is currently in a situation where they still have not resolved the FY2011 budget and as a result the government is being funded by a CR. The current FY2011 CR is set to expire on March 4th.

Upon its expiration Congress must pass either another CR or an omnibus spending bill.

The maximum Pell Grant awards have been set by the U.S. Department of Education for the **2011-12 award year**, but Congress could reduce awards when it finalizes spending levels for the remainder of the 2011 fiscal year. Congress must also provide funding for the "**campus-based award programs**"

Student Aid Funding and the Federal Budget

On Monday, Feb. 14, 2011, President Obama released his fiscal year (FY) 2012 budget request to the 112th Congress. This budget will contain proposed funding levels for the student aid programs for the academic year 2012-2013. Many of these funding proposals are up against proposed cuts. The President's budget request, while significant, marks only the first step a lengthy and complex annual budget process.

Outline of the Budget Process:

The President submits initial budget request to Congress (February). This request does not focus on specific funding levels, but instead includes proposed aggregate levels for federal agencies and programs.

Budget resolution process (March and April). Congress will consider the president's initial budget request. The budget resolution is used to set self-imposed budgetary parameters, also in the aggregate, to serve as guidelines for future spending legislation.

Budget Conference Report (April 15). This is the formal result of the budget resolution process. This congressional report is often referred to as a "budget blueprint" because it does not contain specific levels of funding and is non-binding.

President submits detailed budget request to Congress. This request contains specific line-by-line funding levels for the upcoming fiscal year and proposed aggregate levels for the following five years.

Appropriations Committees draft bills (May-July). Based on the Budget Conference Report and the president's detailed budget request, the House and Senate Appropriations Committees hold hearings and markups for twelve appropriations bills.

Appropriations bills voted on and passed (July). Technically, the twelve bills are to be passed before the August recess to ensure completion by October 1, the beginning of the new fiscal year. Rarely does Congress meet this self-imposed deadline.

LEARN MORE : <http://www.loyno.edu/financialaid/save-student-aid>

Other Changes for 2011-2012 Year

Funding Ends for the Federal Academic Competitiveness Grant / SMART Grant Programs

Congress funded the Federal Academic Competitiveness Grant and **Federal SMART Grant** Programs through the 2010-2011 Academic year. These grants provided additional funds to students who were eligible for federal Pell grants.

All "PLUS" Borrowers Must Complete the FAFSA

Effective with the 2011-2012 academic year, all students who want to apply for ANY TYPE of federal aid (including just a "PLUS" loan) must annually complete the Free Application for Federal Student Aid . The FAFSA is available online

Parent Loans for Undergraduate Students

Parents can borrow a PLUS Loan to help pay education expenses for their **dependent** undergraduate students enrolled at least half time in an eligible program at an eligible school.

Starting with the 2010-2011 academic year, all PLUS Loans will be processed through the William D. Ford Federal Direct Loan (Direct Loan) Program. Parent borrowers must have an acceptable credit history (see sidebar).

What's the interest rate?

For PLUS Loans disbursed on or after July 1, 2006, the interest rate is fixed (at 7.90 for Direct PLUS Loans).

Other than interest, is there a charge to get a PLUS Loan?

Your parents will pay a fee of up to 4 percent of the loan, deducted proportionately each time a loan disbursement is made. For a Direct PLUS Loan, the entire fee goes to the government to help reduce the cost of the loans. Also, parents will be charged collection costs and late fees if they don't make their loan payments when scheduled.

How much can I borrow?

The yearly limit on a PLUS Loan is equal to the cost of attendance for the loan period minus any other financial aid your student will receive. If the cost of attendance is \$6,000, for example, and you student will receive \$4,000 in other financial aid, you can borrow up to \$2,000.

When do my I begin repaying the loan?

For PLUS loans made to parents that are first disbursed on or after July 1, 2008, the borrower has the option of beginning repayment on the PLUS loan either 60 days after the loan is fully disbursed or wait until six months after the dependent student on whose behalf the parent borrowed ceases to be enrolled on at least a half-time basis.

For More Information:

- **Federal Student Aid On the Web -**
<http://studentaid.ed.gov/PORTALSWebApp/students/english/parentloans.jsp>
- **PLUS Processing at Loyola University**
<http://www.loyno.edu/financialaid/plus-loans>

Federal Income Tax Information

Free File is the fast, easy, and free way to prepare and e-file your federal taxes online

The Free File program provides free federal income tax preparation and electronic filing for eligible taxpayers through a partnership between the Internal Revenue Service and the Free File Alliance LLC, a group of private sector tax software companies. Many companies offer free or paid state tax preparation and e-filing services. Some companies may not offer state tax preparation and e-file services for all states.

With all Free File options you can:

- File your taxes any hour of the day or night.
- Know that your return is safe and secure.
- Receive a quick IRS confirmation, within 48 hours, that your return was received.
- Get your refund in a few as 10 days with Direct Deposit.
- File a free federal **extension**.

For More Information On the Free File Program:

<http://www.irs.gov/efile/article/0,,id=118986,00.html>

Additional Information on Other Tax Topics:

<http://www.loyno.edu/financialaid/federal-tax-issues>



Financial Management Tips for Undergraduates

<http://www.loyno.edu/financialaid/money-management-undergraduates>

American Opportunity Tax Credit

Under the American Recovery and Reinvestment Act (ARRA) signed into law by President Obama on February 17, 2009, textbook and other course material expenses incurred in 2009 and 2010 that are not covered by scholarship or grant aid may be counted towards the newly created tax credit called the **American Opportunity Tax Credit** on that year's tax return.

According to the IRS, the new credit temporarily replaces and expands the previous Hope Credit for tax years 2009 and 2010, making the American Opportunity Tax Credit available to a broader range of taxpayers, including many with higher incomes **and those who owe no tax**.

Many of those eligible will qualify for the maximum annual credit of **\$2,500** per student, which is more than \$700 higher than the old Hope Credit, and, **for the first time**, will provide a partial refund of up to **\$1,000**.

For more information, go to <http://www.irs.gov/newsroom/article/0,,id=213044,00.html>

Completing the 2011 – 2012 FAFSA

KEEP IN TOUCH

Officials in the Office of Federal Student Aid and the Internal Revenue Service have worked together to develop a process to simplify the steps that families must take each year to complete the **Free Application for Federal Student Aid ("FAFSA")**



Federal Student Aid staff have redesigned the "FAFSA on the Web" site to simplify the application process for applicants. Learn more about completing the FAFSA at <http://www.loyno.edu/financialaid/completing-fafsa>

You can also

New for 2011-2012



The "IRS Data Retrieval" process for the 2010-2011 academic year will be available *starting January 31, 2011*

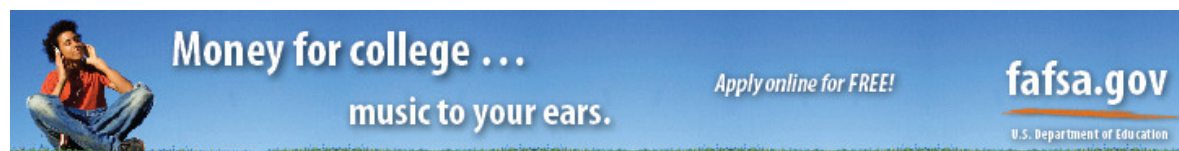
- Electronically filed tax return information will be available online from the IRS site in 1-2 weeks after the return has been filed,
- Data from paper tax returns will be available in 6-8 weeks.

This process will be available for families filing their initial FAFSA applications. Families who file their initial FAFSA with "estimated income" can go use this process to update their original FAFSA data once their tax forms have been completed.

Louisiana families should also check out



Learn more at <http://www.loyno.edu/financialaid/irs-data-retrieval-process>



Important Web Sites



LOYOLA UNIVERSITY NEW ORLEANS

Office of Scholarships and Financial Aid
6363 St. Charles Avenue
Campus Box 206
New Orleans, LA 70118

(504) 865-3231
(504) 865-3233 fax

e-mail: finaid@loyno.edu
www.loyno.edu/financialaid/

Office/Program

Web Address

Student Finance Office	http://www.loyno.edu/studentfinance/
Bursar's Office	http://www.loyno.edu/bursar/
Career Development	http://studentaffairs.loyno.edu/careers
Dining Services	http://sdxcampusservices.com/loyno/
Residence Life	http://studentaffairs.loyno.edu/residential-life
TOPS Scholarships	http://www.osfa.state.la.us/
Federal Student Aid	http://studentaid.ed.gov/
National Student Loan Data System	http://www.nslds.ed.gov/nslds_SA/