



BABSON
COLLEGE

• STUDENT FINANCIAL SERVICES •

**Understanding Your Undergraduate
Financial Aid Award 2009–2010**



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Financial Aid Checklist

ALL STUDENTS

- Review your award letter. Make sure that your name and address are accurate.
- Read this brochure carefully. It contains the terms and conditions under which you accept your financial aid award.
- If you choose to decline any of the awards, please send an e-mail request to sfs@babson.edu.

NEW STUDENTS

- If your financial aid package says “tentative,” it has been estimated based on the income and tax estimates that you provided on your financial aid application. Your package may change once we receive and review your final 2008 income and tax figures. Please be sure to complete the FAFSA and the IDOC submission to enable us to finalize your financial aid package.

FAFSA – Submit the Free Application for Federal Student Aid (FAFSA) online at www.fafsa.ed.gov after January 1, 2009. The FAFSA code for Babson College is 002121.

IDOC – In early February, you will receive an e-mail request from the College Board Imaging and Documentation Service (IDOC) for your and your parents’ signed 2008 federal tax returns, including all pages and schedules, and W-2s. You also will be asked to complete a Federal Verification Worksheet. The IDOC request will include instructions, a cover sheet for you to fill out, and the address to which your materials should be sent. Electronic images of all materials will be forwarded to Babson. You can download a duplicate cover sheet for your submission at <http://idoc.collegeboard.com>.

- If you were offered a Federal Stafford Loan, we will follow up with additional information on signing a Master Promissory Note after May 1, 2009.

- If you were offered and accept Federal Work-Study or Campus Employment, Human Resources will contact you to complete an online questionnaire. Students will be referred to available positions in August, but are not guaranteed employment on campus.

How Your Financial Need Was Calculated

The formula for calculating your financial need is:

Cost of Education - Family Resources = Financial Need.

For new students, 2009-2010 cost of attendance information is included with your acceptance packet and online at www.babson.edu/ugrad, under Scholarships and Cost. For returning students, the information is available on our Web site at www.babson.edu/offices/sfs.

Please note that we have listed our assumptions about your course load, number in college (student and siblings), and residence preference in the financial aid award letter. These assumptions determine our estimate of your costs. Please notify us immediately if these assumptions are not correct. Changes may result in an adjustment to your financial aid award.

You and your family will be expected to contribute to your educational expenses. Our estimate of your ability to contribute is based on four major factors: income, assets, family size, and number of children in college. For most families, this contribution will come from some combination of savings, current earnings, and financing plans that spread the cost over a longer period of time.

We expect comparable contributions from families like yours, and proportional amounts from families whose financial circumstances are stronger or weaker than yours.

The total of family resources is subtracted from your student expense budget to determine your need for financial aid funds. If there are circumstances that you feel may limit your contribution, please notify Student Financial Services

immediately. We will advise you regarding alternative financing options and appeal procedures.

Financial Aid Programs

Babson Level Grant

Babson is pleased to offer the Babson Level Grant, a program designed to provide families with specific information about financial aid for all four years at Babson. The Babson Level Grant amount is determined based on financial need.

Babson's Commitment

Babson commits to the Babson Level Grant amount for four years, provided there are no major changes to the family's financial circumstances or the student's enrollment status. The Babson Level Grant amount is determined based on financial need, calculated in the first year of enrollment. The grant amount will be renewed at the same level each year, unless there is a significant change in family circumstances. **New students please note:** The first-year Babson Level Grant amount is considered tentative until we have received and reviewed your 2009-2010 FAFSA results, Verification Worksheet, and final 2008 income and tax figures for both you and your parents.

Conditions for Re-evaluation

We will re-evaluate the Babson Level Grant amount in subsequent years only if there is a major change in the family's circumstances, defined by one or more of the following conditions:

- A change in the number of dependent children attending college. The assumption for the 2009–2010 academic year is listed on the award letter.
- A change in the student's residence status, from living on campus to commuting from home, or vice versa.

- A change in your enrollment status.
- A 20 percent or greater change in parents' total annual income from one year to the next.

A family experiencing a significant change in financial circumstances, beyond those listed above, also may submit an appeal for a re-evaluation of the Babson Level Grant amount.

Four-Year Example

Assuming the family experiences no major change, the same Babson Level Grant amount will be awarded each year. Eligibility for other need-based financial aid programs, most notably the federal and state financial aid programs, will be recalculated each year. The following example shows how a student first enrolling in 2009-2010, for whom there is no major change in circumstances, receives the same Babson Level Grant each year. In this typical example, the total amount of aid awarded increases between the first and the fourth year because of the increased amount available through the Federal Stafford Loan program.

	First Year	Second Year	Third Year	Fourth Year
Babson Level Grant	\$10,000	\$10,000	\$10,000	\$10,000
Federal Stafford Loan	\$5,500	\$6,500	\$7,500	\$7,500
Work-Study	\$2,200	\$2,200	\$2,200	\$2,200
Total Aid	\$17,700	\$18,700	\$19,700	\$19,700

Babson Level Grant Merit Step

Students who receive the Babson Level Grant are eligible for a merit step of \$1,000 in each year after a cumulative grade point average of 3.2 or better is achieved. In this example, for a student first enrolling in 2009–2010 who achieves a 3.2 cumulative GPA at the end of the first, second, and third years, the \$1,000 merit step is awarded in each of the following academic years.

Four-Year Example with Merit Step

	First Year	Second Year	Third Year	Fourth Year
Babson Level Grant w/ Step	\$10,000	\$11,000	\$12,000	\$13,000
Federal Stafford Loan	\$5,500	\$6,500	\$7,500	\$7,500
Work-Study	\$2,200	\$2,200	\$2,200	\$2,200
Total Aid	\$17,700	\$19,700	\$21,700	\$22,700

Babson Level Grant Renewal Requirements

Students must complete the Free Application for Federal Student Aid (FAFSA) each year.

All of the information in this brochure concerning course load requirements, satisfactory academic progress requirements, and withdrawal/return of financial aid funds applies to the Babson Level Grant program.

Federal Pell Grant

For new students, if your tentative award letter includes a Federal Pell Grant, the amount is an estimate. The final amount will be determined once we receive the FAFSA results from the Federal Student Aid Processor. Any change from our Federal Pell Grant estimate could result in an adjustment in your first-year Babson Level Grant. Federal Pell Grant funds are credited to the student's account each semester.

Federal Academic Competitiveness Grant

An Academic Competitiveness Grant will provide up to \$750 for the first year of undergraduate study and up to \$1,300 for the second year of undergraduate study to full-time students who are U.S citizens, eligible for a Federal Pell Grant, and who have successfully completed a rigorous high school program, as determined by the state or local education agency and recognized by the Secretary of Education. Second-year students also must have maintained a cumulative grade point average (GPA) of at least 3.0.

Federal Supplemental Educational Opportunity Grant

This grant is awarded to undergraduate students who demonstrate exceptional financial need. Of the amount awarded, 75 percent is paid by the federal government and 25 percent by Babson. Federal SEOG funds are credited to the student's account each semester.

State Scholarship

If your award letter includes a state scholarship, the amount is an estimate. Be sure to follow any instructions from your state scholarship agency to guarantee receipt of this award. State scholarship recipients must enroll for at least 12 credits per semester.

We will finalize your award amount when we receive official notification from your home state. Any change from our estimate could result in an equivalent adjustment in your Babson Level Grant.

Gilbert Grant Program

This program, funded by the Commonwealth of Massachusetts, provides financial assistance to selected Massachusetts residents.

Weissman Scholarship

The Weissman Scholarship Program recognizes students who have demonstrated high academic achievement and strong leadership skills. This full-tuition award is renewed each year provided a cumulative GPA of 3.3 is maintained. The scholarship also provides financial support for research, stipends for travel, and seed money to start a venture or pursue a global service project.

Posse Scholarship

This full-tuition scholarship is awarded for up to eight semesters, plus up to two additional courses, if necessary, to complete graduation requirements.

Presidential Scholarship

Babson College offers Presidential Scholarships in the amount of half-tuition to students who demonstrate exceptional academic talent. The award is renewed each year provided a cumulative GPA of 3.0 is maintained.

Women's Leadership Award

Selected women are awarded four-year scholarships in the amount of one-quarter tuition based on demonstrated leadership experience, future leadership potential, and academic achievement. Candidates are chosen based on admissions application materials and an invitational leadership interview.

Diversity Leadership Award

This is a four-year scholarship offered to selected students based on demonstrated leadership experience, future leadership potential, and academic achievement. Recipients are chosen by a selection committee, based on admission application materials. Awards are valued at either full- or half-tuition, with the full-tuition scholarships being awarded to students who demonstrate financial need.

Alumni Scholarship

The Alumni Scholarship is a four-year scholarship awarded to students selected on the basis of academic achievement and financial need. The funds for the Alumni Scholarship have been generously donated by a Babson graduate or a Babson alumni class. You will be notified of the donor(s) of the Alumni Scholarship upon acceptance of your financial aid awards.

Outside Scholarships

If you receive any private scholarships or awards, you must notify Student Financial Services. We have listed on the award letter any outside scholarships of which we have been informed.

In many cases, the receipt of an outside scholarship requires us to reduce some portion of your financial aid package. It is Babson College policy to first reduce your student loan and/or work-study awards. We will reduce your Babson Level Grant only if the total of outside scholarships exceeds the combined total of your loan and work awards.

Federal Stafford Loan

We have listed on your award letter your Federal Stafford Loan eligibility for the academic year. Babson will include in your financial aid award package each academic year the maximum Federal Stafford Loan eligibility according to grade

level. For the 2009–2010 academic year, the loan limits for each grade level are: \$5,500 for first-year students, \$6,500 for sophomores, and \$7,500 for juniors and seniors.

For the *Federal Subsidized Stafford Loan*, the interest on the loan is subsidized by the federal government for the time that you are in school and for a six-month grace period after you leave school. For subsidized loans processed after July 1, 2009, the interest rate is fixed at 5.6 percent.

For the *Federal Unsubsidized Stafford Loan*, borrowers are required to either pay the interest as it accrues, or have it capitalized (added to the principal) into a repayment schedule that starts after graduation. The interest rate for the unsubsidized loan is fixed at 6.8 percent.

For both Subsidized and Unsubsidized Federal Stafford Loans, repayment begins after the grace period and extends up to 10 years, with deferments available during periods of unemployment, economic hardship, or continued education. Entrance and exit interviews are required. Loan funds are issued in two disbursements, typically timed to coincide with the start of each semester. Disbursements are made via EFT (Electronic Fund Transmittal). Students are notified via e-mail each time Federal Stafford Loan funds are credited to their accounts.

Federal Perkins Loan

This federal loan is awarded by Babson College to students who demonstrate exceptional financial need, based on the availability of funds. The interest rate is 5 percent. Interest starts accruing and repayment begins nine months after the recipient leaves school. New students will be notified by our loan servicer to sign a Master Promissory Note (MPN). Entrance and exit interviews are required. For returning students who completed the MPN previously, that note covers your Federal Perkins Loan borrowing for this and subsequent years at Babson. There is no need for you to sign another promissory note. Perkins Loan funds are credited to the student's account each semester.

Massachusetts No Interest Loan

This program, funded by the Commonwealth of Massachusetts, offers a zero-interest, long-term loan to selected Massachusetts residents who are enrolled in at least 12 credits each semester. Recipients are required to sign a promissory

note and complete entrance and exit interviews. Repayment begins six months after the recipient graduates or withdraws from school. Student Financial Services will notify you to sign a promissory note at the start of each academic year.

Federal Work-Study

If you have been authorized to work on campus under the Federal Work-Study Program, the federal government pays 75 percent and Babson pays 25 percent of your wages. Students are paid biweekly for the hours worked. The amount of the Federal Work-Study award cannot be deducted from the tuition bill.

As a Federal Work-Study student, you receive preference in hiring at Babson. Students are referred to available positions, but are not guaranteed employment on campus.

Other

This includes Veterans' Educational Benefits and the value of the housing stipend received by residence hall assistants.

Recommended Parent Financing Options

Parent Loan programs are offered by the federal government, commercial lenders, and loan agencies. Parents who are creditworthy can borrow up to the total of educational costs, less the amount of financial aid awarded. At Babson, we annually evaluate financing options to ensure that we are recommending loans with competitive rates and flexible repayment options, and identifying lenders and loan servicers with sound practices and high-quality customer service. While we prepare lists of recommended loans and lenders, you are in no way limited to those on our lists. Loan recommendations for 2009–2010 will be available in April 2009 and posted on our Web site at www.babson.edu/offices/sfs. Babson will process a loan from any lender and it is your right to apply for loans through the lender of your choice.

TuitionPay Monthly Payment Plan

Sallie Mae offers the TuitionPay Monthly Payment Plan, a 10-month payment plan that allows flexibility in making payments. Families can spread two semesters' payments over 10 months, from May 2009 to February 2010. The annual application

fee is \$55. If you are unable to accommodate the 10 payments in your monthly budget, you may want to consider a loan option or a combination of the payment plan and a loan.

Course Load Requirements

You will be considered for financial aid from Babson College for eight semesters or until you have graduated, whichever comes first. Babson will not provide funding for:

- Additional courses for a concentration
- Repeated courses (due to failure of or withdrawal from a course)
- Substituted courses (due to failure of or withdrawal from a course)
- Course overload.

You should plan your program of study carefully. Students may appeal to Student Financial Services for a waiver of this policy only in cases where Academic Services has recommended, required, or approved an alternative plan of study.

Students who receive approval to enroll in less than a full course load will be charged a reduced rate of tuition. As a result, the financial aid award may be reduced.

The Federal Pell Grant is available for the number of semesters that it takes students to finish their program. You also may borrow from the federal loan programs for more than eight semesters, but there are aggregate limits on all federal loans.

You must be enrolled in 12 or more credits to receive consideration for Babson Level Grant, Federal Perkins Loan, Federal ACG, Federal SEOG, Federal Work-Study, Gilbert Grant, and state scholarship funds. You must be enrolled in six or more credits to receive consideration for Federal Stafford Loan funds.

Study Abroad

Students studying in a Babson-sponsored program where the tuition is paid to Babson can use all of their semester's financial aid, with the exception of Federal Work-Study, for their semester abroad.

Students studying in other programs must arrange to have a "contractual agreement" signed by Babson and the sponsor of the study-abroad program. For these non-Babson-sponsored programs, students can arrange to use federal and state grants and loans, but not their Babson funds.

Withdrawing from the College

If you are planning to withdraw from Babson, we encourage you to schedule an appointment with your Student Financial Services (SFS) counselor to discuss the financial implications of your decision. The withdrawal must be approved by Academic Services.

Refund of Institutional Charges

The following refund policy applies to any student who withdraws from the College. *Please note that there is no refund in the case of withdrawal from individual courses.*

- If the approved date of withdrawal is before or during the official drop/add period, the student will receive a full refund of tuition, fees, room, board, and any other semester-based charges.
- If the approved date of withdrawal is after the last day of the official drop/add period, and on or before the 60 percent point in the semester, the student's tuition, room, and board will be calculated on a pro rata basis, equal to the percentage of the semester that was completed before the student withdrew. Enrollment deposits, housing deposits, and the semester fee are nonrefundable. The pro rata calculation will determine the unearned, or refundable, portion of the tuition, room, and board that is equivalent to the period of enrollment that remains in the semester. That amount will be refunded to the student, less any unpaid charges owed by the student, less any nonrefundable fees, and less any amounts that must be returned to federal, state, or College financial aid programs.
- If the approved date of withdrawal is after the 60 percent point in the semester, there is no refund; the student is considered to have incurred, or earned, 100 percent of the tuition, room, and board charges for the semester.

- In the event that a student does not notify Academic Services of his/her intent to withdraw, Babson will use the midpoint of the semester to calculate the refund of institutional charges (unless a later date can be documented by the College).
- In the event of a military reservist being called to active duty and not being able to complete a semester, the student will be entitled to a full refund of tuition and fees, and a pro rata refund of room and board charges.
- In the event a student is suspended or dismissed from the College and/or from College housing as a result of disciplinary action or violation of local, state, or federal law, the semester's housing charge will not be refunded, and the student will lose lottery privileges for room selection the following year. Tuition and board charges will be calculated on a pro rata basis in the manner described above for students withdrawing from the College.

Earned vs. Unearned Financial Aid

For a student receiving financial aid who withdraws from the College, Babson will calculate the portion of the semester's financial aid that must be returned to the funding source, because it is unearned, as follows:

- If the approved date of withdrawal is before or during the official drop/add period, 100 percent of the financial aid will be considered unearned and will be returned.
- If the approved date of withdrawal is after the last day of the official drop/add period, and on or before the 60 percent point in the semester, the earned financial aid will be calculated on a pro rata basis, equal to the percentage of the semester that was completed before the student withdrew or took a leave. The balance is considered unearned and will be returned.
- If the approved date of withdrawal is after the 60 percent point in the semester, 100 percent of the financial aid will be considered earned, and none will be returned.

Return of Federal Financial Aid Funds

Babson will return to the federal government the lesser of either: a) the unearned amount of financial aid, or b) the amount of unearned institutional charges. In the

case where the unearned federal aid is greater than the unearned institutional charges, the student is obligated to return the difference himself/herself.

Federal Title IV aid will be returned in the following sequence:

- 1st Unsubsidized Federal Stafford Loan
- 2nd Subsidized Federal Stafford Loan
- 3rd Federal Perkins Loan
- 4th Federal PLUS Loan
- 5th Federal Pell Grant
- 6th Federal Academic Competitiveness Grant
- 7th Federal Supplemental Educational Opportunities Grant
- 8th Any other federal Title IV assistance

Please note that Federal Work-Study funds are not subject to this return policy. Any work-study earnings paid to the student through the student payroll do not need to be returned.

Massachusetts aid will be returned in the following sequence:

- 1st Tuition Waiver (Need-Based and Categorical)
- 2nd Massachusetts No Interest Loan
- 3rd General Scholarship (MASSGrant)
- 4th Christian Herter Memorial Scholarship
- 5th Foster Child Grant Program
- 6th Gilbert Grant
- 7th Public Service Scholarship
- 8th Cash Grant (Access Grant Program)
- 9th Part-Time Grant
- 10th One Family Inc. Scholarship
- 11th GEAR UP Scholarship
- 12th Massachusetts Educational Rewards Grant
- 13th Scholar-Internship Match Fund
- 14th National Guard Tuition and Fee Assistance

Unearned aid from Babson College will be returned in the following sequence:

- 1st Any Babson or Self-Help Education Fund Loans
- 2nd Any other Babson College assistance

Satisfactory Academic Progress Requirements

According to federal regulations and Babson College policy, you must be making satisfactory academic progress to be eligible for financial aid. This eligibility depends on your progress toward your degree and maintenance of a satisfactory grade point average (GPA).

Students are normally required to earn at least 24 credits per academic year and to complete their degree within 5½ years. Students who fail to earn the required minimum credits per academic year will be ineligible for financial aid. Eligibility will be reinstated once 24 credits are attained.

All students must maintain a satisfactory GPA based on the number of semester hours completed.

Semester Hours Completed	Required Cumulative GPA
0–32	1.80
33–128	2.00

The GPA will be calculated according to the academic policies of the undergraduate program. See the *Undergraduate Handbook* for details.

If your cumulative GPA falls below the required minimum, you will be placed on financial aid probation for the following semester. If your GPA is not brought up to the required level by the end of the probationary semester, you will be ineligible for financial aid until your GPA meets the required level.

All cases regarding satisfactory academic progress will be reviewed by a committee composed of the associate dean of the undergraduate program, the undergraduate registrar, and the director of student financial services. The committee may consider mitigating circumstances when evaluating a student's academic progress.

If you are denied financial aid due to lack of academic progress, you may appeal the decision by writing to the director of student financial services within 30 days of receiving notification. The appeal will be presented to the full committee and

you will be notified within two weeks. In no case will funds be awarded to a student who has combined, earned, or attempted credits in excess of 150 percent of those required for the degree.

Some Common Questions

What aid can I expect in future years?

You will be eligible for assistance as long as you continue to show financial need, submit an application by the deadline, and maintain satisfactory academic progress. Students awarded the Babson Level Grant will receive the same award amount for four years, provided there are no major changes in the family's financial circumstances or the student's enrollment status. Eligibility for need-based financial aid programs is calculated each year. Federal and state grant program levels are particularly sensitive to changes in a family's financial circumstances.

What if I'm not happy with my financial aid award?

Please contact Student Financial Services immediately. We can discuss how we determined your award, and see if there are any financial circumstances that we had not considered. We also can advise you about financial planning for college expenses, alternative financing options, and procedures for filing an appeal of the financial aid decision.

Is it possible to receive aid for summer school?

Yes, on a limited basis. Applications for summer school loan eligibility are available at Student Financial Services in February and are due in March.

How much can I expect to earn working on campus?

This depends on how many hours a week you work and the kind of job you get. Most students work 10 to 12 hours per week. The entry-level wage for most jobs in 2009–2010 will be \$8 per hour. In addition, there are community service jobs for Federal Work-Study students at off-campus locations.

Will I lose my grant if I don't work on campus?

No. There is no requirement that you work during the academic year. If you choose not to work, however, you will have to find another way to cover that portion of your education expenses.

Does my aid depend on my grades or campus activities?

No, with the exception that you must maintain satisfactory academic progress. Undergraduate financial aid at Babson is based on financial need, except for certain donor-restricted and merit-based scholarships, and the merit step for Babson Level Grant recipients.

What will happen to my financial aid if I live at home?

If we assumed from information on your PROFILE form that you would be living on campus and you decide to live at home, your costs will be significantly less. Because your costs are less, your Babson Level Grant will be reduced accordingly.

What will happen to my financial aid if I rent an apartment off campus?

Because we estimate that your costs for living on campus and renting off campus will be about the same, your financial aid will not change.

Some of my loan money is for living expenses for my apartment.

How can I get this money?

Request a refund online through Babson Portal (<http://portal.babson.edu>). The College will refund any credit balance on your student account. Refunds will be issued approximately 10 days after the add/drop period has ended. Refunds for credit balances generated by financial aid awards will be issued only after the financial aid has been disbursed.

Can I use any of my financial aid to study abroad?

If you are accepted to participate in a Babson-sponsored study-abroad program, you will be able to apply your financial aid, with the exception of Federal Work-Study, toward the cost of attendance.

What can I do in the case of a financial emergency?

If an emergency arises and you need cash immediately, contact Student Financial Services. Requests should be made only for unanticipated expenses and may not be used to pay your Babson student bill.

What lender should I use for my Federal Stafford Loan?

If you accept a Federal Stafford Loan, we will follow up with additional information on signing a Master Promissory Note (MPN) after May 1, 2009.

The Student Financial Services staff will be happy to assist you with any aspect of your financial planning for your college expenses. Feel free to contact us at with any questions or concerns.

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Babson College prohibits discrimination on the basis of race, color, national or ethnic origin, ancestry, religion, sex, sexual orientation, age, physical or mental disability, and veteran or other protected status. This policy extends to all rights, privileges, programs, and activities, including admission, employment, education, and athletics.



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