



*Latin Beauty Academy*

# **FINANCIAL AID MANUAL**

**Volume II  
2016**

*Latin Beauty Academy*



Licensed by the Commission for Independent Education (CIE)  
Accredited by the National Accrediting Commission of Career Arts and Sciences (NACCAS)

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# **Introduction**

## **Manual Objectives:**

- Define a financial aid service for Latin Beauty Academy.
- Comprehend financial aid rules, regulations, disclosures and forms.
- Understand the current financial aid procedures and policies regarding federal, state and institutional programs.
- Guarantee that the students and staff be knowledgeable regarding the general financial aid procedures.
- Maintain a consistency in the dissemination of financial aid policies.
- Recognize authorities and responsibilities relating to operational practices.
- Assurance a vital source for orientation and training of new and existing financial aid representative.

Education is used to perpetuate the prevailing values of a society. Latin Beauty Academy (LBA) defines education as an empowering process that allows and guides adults to develop their passions, critical thinking, compassion, and orientation towards wisdom to propel action. It is the goal of LBA to accomplish its educational goal by providing its students and staff with the most current and accurate information regarding the Title IV program.

The United States Department of Education requires regulations when the institution which participates in the Title IV program has written policies and procedures on how to process financial aid. A Financial Aid Manual is a federal requirement. This document represents the institution and how the school communicates its principles, aims, and procedures to provide financial aid services. Latin Beauty Academy's manual offers a detailed outline on how our school guides students and family through the financial aid application process, and also reviews and processes applications and disburses funds.

LBA's Financial Manual guarantees to our financial aid professionals an understanding of federal, state, and local regulations, and, additionally, intends to reduce institutional risk. It also provides guidance and information on financial aid facts; however, it may not entail all of the details of administration of all financial aid programs.

## **What is Financial Aid? What Means It for Latin Beauty Academy?**

Financial aid is federal loan money applied to educational programs at the post-high school level, which must be returned. It is important that all of the students at LBA understand that the money received by a student from sources other than his/her family is for the sole purpose of paying postsecondary or college educational expenses. Our financial aid representatives understand that general financial aid can be divided into two categories, need-based and non-need-based aid.

## **Student Consumer Information Requirements**

LBA provides students with the Student Right-To-Know Disclosure Statement, which establishes that the Student Right-To-Know Act (Public Law 101-542), mandates all institutions that participate in the Federal Student Aid Program disclose program details, retention, and graduation rates for its student body. In compliance with this act, graduation rates for all degree-seeking, full-time students are available to all current and prospective students from the Office of the Registrar and will be provided upon request.



## **Campus Security**

LBA is in compliance with the Student Right-To-Know Security Act, Public Law 101-542, as it is amended by the Higher Education Technical Amendments of 1991, Public Law 102-26. LBA provides all students, staff, and faculty with security statistics in its Annual Crime Report (ACR). We ensure that this document contains procedures for reporting and deterring criminal activities on campus. In addition, students, staff, and guests may obtain the report by going online to <http://www.ope.ed.gov/security>. If the information is inaccessible, contact the Campus Director to obtain a printed copy.

### **Jeanne Clery Disclosure of Campus Security Policy; Campus Crime Statistics Act: 20 U.S.C. § 1092(f)**

LBA provides all employees and students with information on crime statistics on the campus where they are working and/or attending classes according to Federal Statute 20 U.S.C. § 1092(f). This information is federally mandated that all schools participating in federal financial aid programs maintain and disclose campus crime statistics and security information annually.

Our institution publishes and disseminates an annual campus security report as well as makes timely warnings of any criminal activities to currently enrolled students and employees. LBA's administration, as required by the Clery Act, gives timely warnings of crimes that represent a threat to the safety of students or employees, and makes public its campus security policies. The Act also requires that crime data be collected, reported, and disseminated to the campus community, and additionally to the United States Department of Education. The Act is intended to provide students and their families who are higher education consumers, with accurate, complete, and timely information about safety on campus.

## **Completion/Graduation Data**

Students and prospects are entitled to view our institutions completion and graduation data and may obtain this data by going online to <http://naccas.org/naccas/?q=node/74>. Searches may be conducted by the institution's name: Latin Beauty Academy; city: Greenacres; state: Florida; Program name: Cosmetology, Barber/Stylist, Full Specialist, Facial Specialist, and Nail Technician. Anyone who is unable to access this information may see the Campus Director to obtain a printed copy.

## **Constitution Day**

LBA observes Constitution Day on September 17. Every year our institution celebrates the date of the signing of the United States Constitution in 1787. Faculty and administration explain the meaning of the day, as by law, all educational institutions receiving federal funding must observe Constitution Day. LBA supports Constitution Day by providing educational activities about the U.S. Constitution.

## **Financial Aid Office**

LBA has established a schedule for the Office of Financial Aid to honor our commitment to assisting all current and prospective students who seek financial aid assistance. Our financial aid office is open from 9:00 a.m. to 8:00 p.m., Monday through Thursday, and from 9:00 a.m. to 5:30 p.m. on Friday. The Saturday schedule varies by campus and is determined as the need arise.



## **Types of Financial Aid**

### **A. Need-Based Financial Aid**

A student must demonstrate that he/she needs the money to pursue an education. The need is determined through an analysis of the student's and or student's parent(s) financial situation. Need-based aid aims to cover costs that the family cannot cover, and attempts to eliminate worries about paying for studying.

Financial need is determined by using the following formula:

$$\underline{\text{Cost of attendance} - \text{Expected family contribution} = \text{Financial need}}$$

### **B. Non-Need-Based Financial Aid**

A student does not have to demonstrate a need; student's and family's financial situation is not considered. Non-need-based aid is often awarded when student and family does not qualify for need-based aid. Also, non-need aid may be awarded in recognition for special talent, skills or abilities (athletics, academic, leadership, etc.) or group affiliations (clubs, business, etc.).

Students often receive the following types of financial aid from different sources:

- a. Grant: Free or gift money from state or federal government;
- b. Scholarship: Free or gift money from private entity, institution (school, church, affiliation, etc.), or employer; or
- c. Loan: Borrowed money from federal government, institution, or private financial institution (i.e., bank).

## **Eligibility Requirements**

According to the regulations, standards, and procedures established by the United States Department of Education, LBA's Financial Aid Department determines the prospective student's eligibility. LBA operates under the definition of eligibility from the Department of Education, which is the foundation for determining who receives federal student aid. A financial aid representative at LBA will confirm individual student(s') eligibility. To be qualified for financial aid a student must meet the following criteria:

1. Demonstrate financial need,
2. Be enrolled or accepted for enrollment as a regular student, working towards a degree or certificate in an eligible program,
3. Be a U.S. Citizen or eligible non-citizen,
4. Have a high school diploma or U.S. equivalent (if from a foreign school) or GED, and
5. Have a valid Social Security number,
6. Register with the Selective Service if required,
7. Maintain satisfactory academic progress once in school,
8. Certify that the student is not in default on a federal student loan and does not owe money on a federal student grant
9. Attest that one will use federal student aid for only educational purposes

The Higher Education Act of 1965 as amended (HEA) suspends aid eligibility for students who have been convicted under federal or state law of the sale or possession of drugs, if the offense occurred during a period of enrollment for which the student was receiving federal student aid. A student can regain eligibility if he or she passes two unannounced drug tests conducted by a drug rehabilitation program that complies with criteria established by the U.S. Department of Education.

### **Policies and Procedures on Determining Validity High School Diploma**

Latin Beauty Academy evaluates the validity of a student's high school completion if the school has reason to believe that the high school diploma is not valid or was not obtained from an entity that provides secondary school education. Latin Beauty Academy has implemented a policy to translate all foreign high school diploma within 15 business days after the student sign his/her enrollment agreement.

Latin Beauty Academy understand and follow the policy from the Department of Education that to receive FSA funds, a student must be qualified to study at the postsecondary level. A student qualifies if he/she has a high school diploma (this can be from a foreign school if it is equivalent to a U.S. high school diploma);

Students must provide one of the following documents that indicate their high school completion status at the beginning of the 2015–2016 year:

- A copy of a high school diploma national or foreign.
- A copy of a final, official high school transcript that shows the date when the diploma was awarded.
- A copy of a General Educational Development (GED) certificate or GED transcript that indicates the student passed the exam.
- Certification of a passing score on a test that the student's state authorizes and recognizes as the equivalent of a high school diploma. This includes tests similar to the GED, such as the High School Equivalency Test or the Test Assessing Secondary Completion. Test transcripts are acceptable documentation if they indicate that the final score is a passing score or that the student's state considers the test results to meet its high school equivalency requirements.
- A copy of the "secondary school leaving certificate" or similar document from the proper government agency for students who completed secondary school in a foreign country. If your college doesn't have the expertise to evaluate foreign secondary school credentials or chooses not to do so, there are evaluation services available.
- An academic transcript that indicates the student successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree at any participating school.
- A copy of a secondary school completion credential for homeschool (other than a high school diploma or its recognized equivalent) if state law requires homeschooled students to obtain that credential.
- A transcript or the equivalent, signed by the parent or guardian of a homeschooled student, that lists the secondary school courses the student completed and documents the successful completion of a secondary school education in a homeschool setting.
- For a student who has not completed high school and is seeking enrollment in a program that leads to at least an associate degree or its equivalent, documentation from the high school that he/she excelled academically and from the school that he/she meets their written policy for admitting such students. This should be a rare occurrence.

- For students in an “eligible career pathway program,” documentation that they passed an approved ATB test or completed at least 6 credit hours or 225 clock hours that are applicable toward a degree or certificate offered by your school.

If Latin Beauty Academy receives one of these documents as part of the admission process, our institution does not need to ask for another. In cases where documentation of high school completion is unavailable—e.g., the school is closed and no information is available from another source such as the school district or state department of education, or the parent or guardian who homeschooled the student is deceased—Latin Beauty Academy accepts alternative documentation to verify her high school completion status.

A student may self-certify on the FAFSA that he has received a high school diploma or high school equivalency certificate or that he has completed secondary school through homeschooling as defined by state law.

### **Checking the Validity of a High School Diploma**

If the academy department of Latin Beauty Academy has reason to believe that the high school diploma is not valid or was not obtained from an entity that provides secondary school education, we must evaluate the validity of the student’s high school completion. Students who indicate on their FAFSA that they graduated high school must give the name, city, and state of the high school. FAFSA on the Web will not allow students to skip these items, and it will have a drop-down list of both public and private high schools populated by the National Center for Education Statistics (NCES). Inclusion on the list does not mean that a diploma from the school is valid, nor does exclusion from the list mean that the diploma is invalid. Latin Beauty Academy requests documentation for checking the validity of a student’s high school completion can include the diploma and a final transcript that shows all the courses the student took. For students who completed their secondary schooling outside the United States, Latin Beauty Academy if has reasons to believe that the high school diploma is not valid or was not obtained from an entity that provides secondary school education; our school has established the procedure to compare documents from the same country, as well as use the services of companies that determine the validity of foreign secondary school credentials, including diploma or transcripts, which are translated and evaluated looking for its equivalence in United States. One resource that Latin Beauty Academy uses to determine if a high school diploma is valid is the department of education in the state in which the high school is located, if that department has jurisdiction over the high school.

### **Recognized Equivalents of a High School Diploma**

Latin Beauty Academy recognizes several equivalents to a high school diploma:

- A GED certificate;
- A certificate or other official completion documentation demonstrating that the student has passed a state-authorized examination (such as the Test Assessing Secondary Completion (TASC) the High School Equivalency Test (HiSET));
- An academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor’s degree; or
- For a student who enrolls before completing high school, a transcript indicating the student has excelled in high school. The student must no longer be enrolled in high school, must satisfy your school’s written policy for admitting such students, and must be starting a program that leads at least to an associate’s degree or its equivalent.

**Important Note:**

*Possessing a certificate of high-school completion is not sufficient for a student to be Title IV aid eligible. Such a certificate may be issued without a student having completed all of the academic graduation requirements, including passing any required examinations. A state must consider a certificate or high-school-completion-equivalency test as equivalent to a high school diploma in that state in order for it to be considered equivalent to a high school diploma for Title IV aid eligibility purposes.*

**Civil Commitment for Sexual Offenses**

A student subject to an involuntary civil commitment after completing a period of incarceration for a forcible or non-forcible sexual offense is ineligible to receive a Federal Pell grant. The Florida Department of Law Enforcement provides a list of Registered Sexual Predators:

<http://www.fdle.state.fl.us>

LBA acts based on regulations by the Department of Education, which establishes by way of the Central Processing System eligibility for Title IV Aid, by cross matching the data provided on the student's FAFSA with the Social Security Administration (SSA) and the United States Citizenship and Immigration Services (USCIS). If the data match fails or citizenship cannot be confirmed (C code on ISIR), the student will be notified and ISIR will be reviewed with then student by the Financial Aid representative to determine if information contained therein is accurate. The student will be required to provide supporting documentation to confirm citizenship status, and for secondary confirmation, the institution will request confirmation from USCIS using the G845 form (refer to USCIS website for form and current mailing address).

LBA accepts the following documents as proof of eligible citizenship status for Title IV aid:

- U.S. birth certificate, or U.S. territories' birth certificate
- U.S. Passport
- Certificate of Citizenship (N-550, N-561, F-240, FS-545 or DS-1350)
- Copy of Certificate of Naturalization (N-550 or N-570)
- I-94 Arrival-Departure Record
- Alien Registration Card (I-551)

Other categories of eligible non-citizens other than permanent residents who are eligible for federal aid:

- **Conditional resident aliens** are eligible for aid if their document has not expired, such as a valid I-551, I-94, I-94A or passport bearing a MRIV endorsement good for one year.
- **Refugees** are given indefinite employment authorization; their status continues unless revoked by DHS or until permanent resident status is granted;
- **Persons granted asylum** are also authorized for indefinite employment, unless revoked by DHS and can request permanent residence status after one year;
- **Persons paroled for at least one year** must provide documentation (not expired) from the DHS that they are in the US for at least one year, for other than temporary purposes and intend to become a citizen or permanent resident;
- **Cuban-Haitian entrants** "as defined by Section 501(e) of the Refugee Education Assistance Act (REAA) of 1980" are the Cubans who entered the United States illegally between April 15 and October 10, 1980, and Haitians who entered the country illegally before January 1, 1981. Note that a document showing that the holder is a Cuban Haitian Entrant is valid even if the expiration date is passed" (*see Volume I, Eligibility/Citizenship, Federal Student Aid Handbook October 2011*).

## **Application Process**

LBA follows the application process as it is established by the United States Department of Education. To obtain Student Federal Aid, a student is expected to fill out a Free Application for Federal Student Aid (FAFSA) at <http://www.fafsa.gov>. The FSA ID, which consists of a user-created username and password, replaced the PIN effective May, 2015. It allows users to electronically access personal information on Federal Student Aid Web sites as well as electronically sign a FAFSA. The option for completing a paper FAFSA is also available.

The FAFSA collects financial and other information needed to calculate the Expected Family Contribution (EFC), which is the basis by which the student award amount is determined. Also, information contained in the FAFSA is computer matched by the Central Processing System (CPS) with other agencies such as Social Security Administration, Selective Services, the United States Citizenship and Immigration Services (USCIS) and the National Student Loan Data System (NSLDS) to determine student's eligibility for federal aid.

A dependent student will need to supply parental information on the FAFSA and for the purpose of loan, may also need parent(s) to request a PLUS loan. Additionally, students wishing to obtain federal loans are required to complete Entrance Counseling and a Mater Promissory Note at <http://www.studentloans.gov>. For assistance with this process, student(s) may contact the school's financial aid office or the Federal Student Aid Information Center (FSAIC) at (800)-4-FED-AID, or 1-800-433-3243.

**Dependent Student** (must meet all the following requirements):

- 24 years of age and younger
- Unmarried
- Does not have children who receive more that 50% of their support from the student
- Does not have dependents (other than children or spouse) who will receive more than 50% of their support from student throughout the award year

**Independent Student:**

- Students who fall outside the parameters of the above-listed guidelines for Dependent Students are considered Independent Students;
- A person who is an orphan or ward of the court;
- A person currently serving on active duty in the U.S. Armed Forces for purposes other than training;
- A veteran of the U.S. Armed Forces;
- For the current academic year, a student who is enrolled in a Master's or Doctorate program.

Students enrolled at LBA who request financial aid, if eligible, will receive one of or a combination of, the following types of available Federal Aid and or Institutional Loans:

- Pell Grant
- Subsidized Direct Loan
- Unsubsidized Direct Loan
- PLUS Loan
- Institutional Loan

All of the above types of available Federal Aid and or Institutional Loans apply to all locations of the Institution as stated on the most current ELIGIBILITY and CERTIFICATION APPROVAL REPORT issued by the Department. An agreement between LBA and the United States Department of Education covers the Institution's eligibility to participate in each of the following listed Title IV, HEA programs, and incorporates by reference the regulations cited:

- FEDERAL PELL GRANT PROGRAM, 20 U.S.C. §§ 1070a et seq.; 34 C.F.R. Part 690.
- FEDERAL DIRECT STUDENT LOAN PROGRAM, 20 U.S.C. §§ 1087a et seq.; 34 C.F.R. Part 685.
- FEDERAL PERKINS LOAN PROGRAM, 20 U.S.C. §§ 1087aa et seq.; 34 C.F.R. Part 674.
- FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM, 20 U.S.C. §§ 1070b et seq.; 34 C.F.R. Part 676.
- FEDERAL WORK-STUDY PROGRAM, 42 U.S.C. §§ 2751 et seq.; 34 C.F.R. Part 675.
- ACADEMIC COMPETITIVENESS GRANT AND NATIONAL SCIENCE AND MATHEMATICS ACCESS TO RETAIN TALENT GRANT PROGRAMS, 20 U.S.C. §§ 1070a-1 et seq.; 34 C.F.R. Part 691.
- IRAQ AND AFGHANISTAN SERVICE GRANT, 20 U.S.C. §§ 1070d et seq.

### **Post-Application Procedure**

Once the applicant signs and submits the FAFSA using LBA's school code: **042420**, the applicant should allow 3 to 4 business days for the application to be processed. The US Department of Education sends a document entitled "Student Aid Report" (SAR) to the applicant and the school. The prospective student will receive an Institutional Student Information Report (ISIR) detailing the results from his/her application. Our financial aid officer will check the results from ISIR and process the information, or requested extra information, as it could be requested by the Department of Education. In case a student has a processed ISIR from another institution, the student will provide the Data Release Number (DRN). Through our financial aid officer, the employee will have access to his/her ISIR and retrieve the information for review. The financial aid officer will request additional documentation(s) if necessary, and discuss with each student the award. Following the Department of Education's procedures, all verification and conflicting information will be resolved and an award letter will be provided to all financial aid eligible students.

The applicant will know that his/her student's award amount is determined according to the EFC for the award year, as well as tabulate the cost of attendance and enrollment status in the academic year. In addition, each student is informed about a scheduled award for each Award Year. He/she will be knowledgeable of the amount that he/she may receive. The decision is based on enrollment status in that academic year.

### **Example:**

**Award Year** - July 1<sup>st</sup> of one year to June 30<sup>th</sup> of the next year (July 1, 2014 - June 30, 2015)

**Scheduled Award** -Maximum amount of aid student may receive for the award year



## **Academic Year:**

Cosmetology Program 1200 Clock Hours  
900 Clock Hours is the Academic Year for the program

## **Enrollment Status**

Cosmetology Program 1200 Clock Hours = (F.T. = 30 Weeks; P.T. = 50 weeks)  
900 Clock Hours is the Academic Year for the program= (F.T= 23 weeks; P.T= 38 weeks)

## **Annual Award**

The maximum amount a student would receive during the full academic year for a give enrollment status. Students who continue enrollment in the new award year are required to renew the FAFSA. Applications are accepted beginning January 1st of one year through June 30th of the following year, the application processing cycle lasts 18 months. Example: January 1, 2014 thru June 30, 2015.

## **Federal Grants and Loans**

### **Federal Pell Grant**

A Pell Grant is money the government provides for students who need it to pay for college. Grants, unlike loans, do not have to be repaid. Eligible students receive a specified amount each year under this program. A student who receives a Pell Grant for the time on or after July 1, 2015, can only receive a Pell Grant for up to the Academic Year or the equivalent. The maximum Pell Grant for the award year 2014-2015 (July 1, 2014 through June 30, 2015) is \$5,730.

There are two payment periods in each award year for the Cosmetology Program, one each of 450 clock hours, which is the number of payments received in each award year. For the Pell Grant program, the EFC range full time scheduled award for 2014-2015 is \$0 through \$5,157. Students with EFC outside of this range are not eligible for the Pell Grant. LBA offers loans to students who have more than 26 clock hours per week.

### **Cross-Over Payment Period**

LBA will award students when a payment period includes both the last day of the current award year (June 30) and the first day of the next award year (July 1). This is referred to as a “crossover” payment period. When awarding and disbursing aid for a crossover payment period, schools must consider from which award year the funds will be paid. Unless more than six months of the payment period is in one award year, the school may choose the award year from which the federal aid will be paid. This determination affects eligibility, the timing of disbursement, and reporting. This determination does not affect calculations of Stafford loan eligibility since loan eligibility is based on the academic year.

### **Direct Loan**

There are often instances when the grant(s) received for student educational costs is not sufficient to cover the student’s full tuition. Additionally, students have the option to obtain student loans.



The Direct Loan (DL) program provides federal loans funded by the Department of Education to eligible applicants. This type of loan is for educational expenses and requires repayment at a specified time. Students are allowed a grace period of six months from the time they graduate, withdraw, or fall below half-time to begin repayments of loans.

Students are required to complete a FAFSA, Entrance Counseling and sign a Master Promissory Note (MPN) prior to receiving loans and also complete Exit Counseling at the end of their program of study, upon withdrawal, or when they cease to be enrolled at least half time. LBA utilizes a multi-year MPN. Student will receive written notification of these obligations.

A significant step in the use of the multi-year MPN is the confirmation process. The confirmation option helps students or parents maintain control over their borrowing ability. To guarantee that a student borrower is aware and has control over the borrowing process, he/she must accept, either actively or passively, the loan amount offered.

- Active Confirmation - the school does not disburse the loan until the borrower affirmatively requests or accepts the proposed loan type and amount or request changes to the loan package.
- Passive Confirmation – the school does not disburse the loan until the borrower is notified of his/her proposed loan package and the time given to respond has elapsed. The borrower only needs to take action when declining the loan or making adjustments to the type or amount of the loan.

LBA applies the passive confirmation rule with regard to the disbursement of loan funds.

### **Loan Eligibility**

1. Students and their parents who are in default on a student loan must resolve the default before they can become eligible to receive federal aid. A parent who is in default on a PLUS loan does not prevent the student from obtaining aid.
2. A student who unintentionally exceeds the annual or aggregate loan limit is ineligible to receive loans, but may regain eligibility by paying the extra amount borrowed or make satisfactory arrangements with the lender in the case of a default.
3. A student or student's parent(s) whose property is subject to a judgment lien for debt owed to the United States is also ineligible.
4. Any student who has been convicted of, or has pled no contest to or is guilty of, crimes involving fraud in obtaining Title IV funds is not eligible for aid and must pay all outstanding balances in full to regain financial aid eligibility.

Eligible undergraduate students may receive Subsidized and Unsubsidized need-based loans and their parent(s) PLUS loan.

**Subsidized Loan** – A student educational loan, which does not accrue interest before repayment or during deferment periods; the Federal Government subsidizes the interest during these periods. Both dependent and independent students are eligible for this need based loan, up to the annual or aggregate loan limit, whichever applies.

**Unsubsidized Loan** – The student is charged interest from the first disbursement through the life of the loan. A dependent student is only eligible for the additional unsubsidized portion of \$2,000.

If a student's parent(s) is/are denied the PLUS loan, then the student is eligible to receive a maximum unsubsidized loan for the particular loan period.

**PLUS** (Parent Loan for Undergraduate Student) - Credit based loan, which allows the parent(s) of a dependent student to borrow money for student educational expenses. Interest is applied from the first disbursement until the loan is paid in full.

**Dependent Undergraduates  
(Excluding dependent students whose parents cannot obtain PLUS Loans)**

<b>Annual Limit for Sub/Unsub Loans</b>	<b>Subsidized</b>	<b>Total (Subsidized &amp; Unsubsidized)</b>
First Year.....	\$3,500 .....	\$5,500
Second Year.....	\$4,500 .....	\$6,500

**Independent Undergraduate and Dependent Students  
(whose parents cannot obtain PLUS Loans)**

First Year.....	\$3,500 .....	\$9,500
Second Year.....	\$4,500 .....	\$10,500
Third Year and Beyond.....	\$5,500 .....	\$12,500

**Loan Origination Checklist**

Latin Beauty Academy first confirms that each prospective student meets the requirements from the borrower, such as:

- The student must be enrolled at least half-time and meet satisfactory academic progress (SAP);
- Review National Student Loan Data System (NSLDS) information to ensure the student is not in default, does not owe an overpayment on a FSA grant or loan, and has not exceeded the annual or aggregate loan limits;
- Ensures the total loan, in combination with other aid, will not exceed the student's financial need;
- Guarantee that loan disbursement dates meet cash management and disbursement requirements;
- Determine the student's Pell Grant eligibility and, if eligible, include the grant in the student's aid package;
- Before offering an Unsubsidized Stafford loan, first determine the student's eligibility for a Subsidized Stafford loan;
- For dependent students, confirm parent(s) has/have a PLUS loan credit denial or is/are ineligible to receive a Federal Loan in the case of parent(s) residing in a foreign country;
- Prorate the Stafford annual loan limit for an undergraduate enrolled in a program or remaining period of study that is shorter than an academic year.

## Effect of Loan Status on Student Aid Eligibility

Loan Status	NSLDS Code	Eligible for SFA Funds
In school grace period	DA-Deferred FB-Forbearance ID-In school or grace period RP-In repayment	Yes
Paid	DP-Default, then paid in full PC-Paid in full thru consolidation PF-Paid in full	Yes Does not matter what type of consolidation loan the borrower received, nor whether loan was in default previously.
Lost guarantee	UI-Uninsured, Un-reinsured	Yes It does not matter if the loan was in default.
Cancelled or discharged	BC-No default, bankruptcy discharge CA-Cancelled DF-Default, false certification discharge DG-Default, false certification (ability to benefit) discharge DI-Disability DJ-Default, discharged by judicial ruling DK-Default, bankruptcy discharge DN-Default, closed school discharge DS- Default, disability cancellation EA-False certification (ability to benefit) discharge EC-Closed school discharge EF-Loan discharged for fraudulent disbursement EJ-Court ordered write-off OD-Default, bankruptcy discharge	Yes To receive new loans, the borrower must have a doctor's certification that his or her condition has improved and sign statement indicating that he or she is aware that the new loan cannot be cancelled on the basis of any present impairment unless the condition deteriorates.

No default, bankruptcy filing	BK-No prior default, active bankruptcy claim	Yes Loan was not in default and has not been discharged.
Default	DL-Defaulted in litigation DT-Defaulted, collection terminated DU-Defaulted, unresolved	No
Default bankruptcy filing	DB-Defaulted, active bankruptcy claim DO-Defaulted, active bankruptcy claim	No, unless debtor can show that loan is dischargeable.
Default compromise	DC-Defaulted, compromised	Yes Compromise is recognized as payment in full.
Default, written-off	DW-Defaulted, write-off	No, unless debtor reaffirms loan and makes satisfactory repayments or repay loan in full
Default, satisfactory repayment arrangement	DX-Defaulted, satisfactory arrangements, and nine consecutive payments	Yes, if borrower continues to comply with repayment plan or is granted forbearance.

### Verification Process

Latin Beauty Academy is able to cooperate with the verification process, which is determined by the Central Processing System (CPS). In this process, any of the students enrolled could be selected for verification for reasons such as the application information is incorrect or contains conflicting information.

Applications may be reviewed based on the DE's current required data elements and any specific predetermined criteria set by the institution. Latin Beauty Academy chooses to verify all data elements in all verification cases. Substantial supporting documentation must be obtained and circumstances carefully documented.

## **Notification**

Latin Beauty Academy informs prospective students the amount and status of their eligibility financial aid. This process also allows confirm in writing if they were selected for verification; based on the results the financial aid representative explain the meaning of each requested information or documentation and what action must be taken.

Five business days are the standard time frame for the verification review process. Immigration would take 15 business days, once the verification process is completed, at which time the student will be awarded..., and notified in 3 business days in writing of the award.

## **Deadline**

As explained above, any prospective student to be enrolled must complete a Free Application for Federal Student Aid (FAFSA) to start the financial aid process, which implies that it must be completed and approved prior to the start of the first class. The enrolled students must complete a new FAFSA prior to July 1 of each year the student applies for financial aid. Some documents could be requested by the Department of Education as a result of the information completed in the FAFSA application. All required documentation must be submitted to the financial aid office within 10 business days from the date of written notification. In cases of unusual circumstances, the financial aid office may extend this time up to 15 business days.

If a prospective student delays in obtaining and bringing the requested documentation to the financial aid office, it may delay the awarding of financial aid and may result in a student paying all or part of the tuition obligation out-of-pocket until the award takes place. Latin Beauty Academy will notify students who do not complete the verification within the required time frame and the file will be placed in an Incomplete Status.

## **Correction Procedure**

There is an established procedure from the Department of Education to request personal information, including financial information, of the applicant in order to complete his or her financial aid application. The DE authorizes the financial aid office to request any needed information or relevant information concerning a student's application for the federal aid. The financial aid office will confirm the information completed in the FAFSA application using the documentation provided by the applicant. Latin Beauty Academy is responsible for and authorized by the DE to make any needed correction(s) to the prospect's application supported by the documentation or information provided by the applicant; the most recent EFC will be used to determine funds awarded.

## **Overpayment/Over-award**

Latin Beauty Academy has implemented procedures to prevent errors; however, errors can happen. An over-award or overpayment situation can occur based on a mistaken calculation and the student receives greater Pell grant funds or loan funds than are supposed to be awarded. If this situation happens, Latin Beauty Academy will notify the student in writing of the mistake and the overpayment. LBA is committed to providing the best solution and resolution as soon as possible in situations such as this, and, if required, will return the overpayment or over-award funds to the DE immediately.

## **Verification Exceptions**

LBA completes verifications which are required by the DE. There are certain instances where applicants are exempt from this verification as noted below:

Recent immigrant – A selected applicant does not have to be verified if the student is an immigrant who established permanent residence in the United States during the calendar year (less than one year of ISIR date).

Spouse unavailable – The school isn't required to verify spousal information if:

- The spouse is deceased or mentally or physically incapacitated.
- The spouse is residing in a country other than the United States and cannot be contacted by normal means.
- The spouse cannot be located because his or her address is unknown, and the student is unable to obtain it.

Parents unavailable – Verification is not required for a dependent student if any of the following conditions apply:

- Student's parents are deceased, or mentally or physically incapacitated. (If both parents are dead, the student is an orphan and therefore is an independent student. If parents die after student applied, dependency status must be updated.)

## **Required Verification Items**

LBA is authorized and may choose to verify additional data in accordance with consistent institutional policies. Once an applicant is selected for verification by Central Processing System, it is mandatory that the following five major data be verified:

- a. Household size
- b. Number enrolled in college
- c. Adjusted gross income (AGI)
- d. U.S. income tax paid
- e. Certain untaxed income and benefits (child support, IRA/Keogh deductions, interest on tax-free bonds)

## **Verification Tolerance**

LBA understands that students may commit errors on their applications; therefore, the college has procedures for verifying the reported information. The regulations include verification as part of the Federal Student Aid program requirements. The Department only requires that a portion of the FAFSA filers at the school be verified, as selected by the Central Processing System. However, LBA has the authority, and may be required, to verify additional students.

If our financial aid officers find minor errors in the verification process that do not significantly alter the award, they will not affect the student's eligibility because regulations provide for minor verification changes. The changes must be equal to or less than \$400. In the event incorrect information is more than \$400 then an update must be made to the ISIR in order to recalculate the EFC. If the difference between the uncorrected total and the corrected total is \$400 or less, no correction is necessary, and the error is acceptable.

**Important:** *Using the tolerance rule is optional; an administrator can choose to submit all corrections for reprocessing; however, there is no tolerance for non dollar items.*

## **Conflicting Information**

Latin Beauty Academy has developed and applies an adequate system to identify and resolve discrepancies in the information received from several sources with respect to a student's application and eligibility for federal financial aid. LBA requests documentation from the student or applicable family members to resolve conflicting information as needed, even though some documentation may be available to the institution.

If LBA has reason to believe application or eligibility information is incorrect, the institution must resolve such discrepancies before disbursing federal aid funds. According to the Department of Education, conflicting information is considered to be any information deemed to be inconsistent, or any information obtained or presented on behalf of a student that is different from information reported, that impacts the calculation of the EFC, which also includes verification. In addition, conflicting information is any information obtained which is different from information previously available to the institution and which impacts a student's eligibility for aid.

Conflicting information will be resolved whether or not a student was selected for verification and all information obtained will be applied to the application. This is to ensure that the student receives the correct amount of aid.

Conflicting information does not solely refer to data reported on the Free Application for Federal Student Aid, but rather anything that affects a student's eligibility for financial aid. LBA uses information that comes from a number of sources, such as schools, state agencies, the U.S. Department of Education, the student, or the student's family. Any office at the institution, not only the financial aid office, may hold information or documentation that could create a conflict.

Conflicting information may constitute the following:

- Change in academic status
- Citizenship status
- SSN issues
- Default/overpayment
- Cost of attendance elements
- Resource from other departments
- Inconsistent information

What is not considered conflicting information as per regulatory guidelines:

- Household size differs from number of exemptions on tax return
- Dependent under IRS rules versus ED definition of dependent
- Privacy protected information, such as information from professional counselors, chaplains, doctors, etc.
- Assumption made by the CPS
- FAFSA filed using estimated income
- Secondary confirmation match successful, but student has an expired residency document



## **Fraud and Abuse**

LBA will never accept fraudulent activities, which will always be reported. LBA uses the following online-site: <https://oighotline.ed.gov/Hotline/Instruction.aspx>. An Online Hotline Complaint Form is available to report fraud, waste, abuse, misuse or mismanagement of U.S. Department of Education program funds (this could include complaints concerning employees, fund recipients, educational institutions, contractors, collection agencies, or lending institutions).

Any student who attempts to fraudulently obtain Title IV funds and LBA detects the behavior, or suspects that a recipient of Title IV funds has intentionally abused or defrauded the program, the Director of Financial Aid will contact the student and report the incident to the Inspector General of the Department of Education, or any appropriate agency outside the school.

## **Professional Judgment**

Based on the DE, professional judgment is the discretionary action available to a financial aid administrator to address unusual circumstances that affect a student's ability to pay educational expenses. Financial aid administrators may make adjustments on a case-by-case basis, and must document justification in the student's file.

LBA understands that students, as well as their family, often experience special circumstances that can impact their ability to pay tuition. In the event of special circumstances, the student or parents should contact the school's financial aid office so the tuition payment matter can be addressed promptly.

LBA's financial aid officers use professional judgement to process the Cost of Attendance (COA) for the students. As dictated by Congress, the COA is the average cost to attend school for one academic year (fall through spring). It includes tuition and fees, books and supplies, room and board, transportation, and personal expenses. LBA adjusts the COA to reflect changes to these costs.

LBA's financial aid officers have a commitment to correctly process the cost of attendance on the FAFSA, which is used to calculate the EFC for each student on a case-by-case basis. Special circumstances are conditions that apply to an individual student and not a class of students. The adjustment is only valid at the school making the adjustment, and the decision of the financial aid administrator is final.

The DE defines Professional Judgment as referring to the authority of a school's financial aid administrator to make adjustments to the data elements on the FAFSA and to override a student's dependency status. However, LBA does not have the authority to change the need analysis formula itself or to make direct adjustments to the Expected Family Contribution (EFC). Instead, the school may make adjustments to the input to the formula. The changes to the input are dictated by the impact of the special circumstances on the family's income and assets. The standard formula is then applied to the new data elements, yielding a new EFC figure.

The DE gives authorization to the institution to make the decision; the financial aid administrator's decision is considered a final decision. There is no appeal. By law, neither the school's president nor the US Department of Education can override the financial aid administrator's decision. However, any professional judgment can be used to avoid the general student eligibility

requirements or to circumvent the intent of the law or regulation. The law gives some examples of unusual or special circumstances:

- a. unusual child care cost
- b. unusually high medical expenses
- c. dislocated worker/recent unemployment of a family member
- d. change in family income/asset
- e. separation or divorce of student or parent(s)

**Important:** *The EFC change resulting from the application of professional judgment must be used for all federal student aid funds awarded.*

### **Dependency Override**

Latin Beauty Academy's Financial Aid Director has authority through Section 480(d)(7) of the Higher Education Act to change a student's status from dependent to independent in cases involving unusual circumstances by way of a dependency override, which is only done on a case-by-case basis. Dependency override only applies to a change from dependent to independent status. The DE has guidelines regarding situations that do or do not qualify as unusual circumstances that merit a dependency override.

LBA follows procedures established by the DE in the following circumstances that do not merit a dependency override, either alone or in combination. In this case, some examples that may be categorized as unusual or special circumstances include:

- Student's voluntary or involuntary removal from parent's home due to an abusive situation that threatened the student's safety and or health
- Incapacity of parent(s) such as incarceration, disability, mental or physical illness
- Inability of the student to locate the parent(s) after making reasonable efforts
- Parents refuse to contribute to the student's education
- Parents are unwilling to provide information on the application or for verification
- Parents do not claim the student as a dependent for income tax purposes
- Student demonstrates total self-sufficiency.

**Important:** *All of these circumstances are largely discretionary in nature. A student cannot become independent just because the parents are unwilling to help pay for the student's college education.*

As requested by the DE and followed up by the financial aid office, it is the responsibility of the student to provide substantial proof or written evidence that the situation exists, and the financial aid office must carefully document its actions. Even though it is mandatory that our financial aid officer informs the applicant about the process, LBA is not obligated to perform a dependency override. If a financial aid administrator determines that a dependency override is not appropriate, that decision is final.

**THE FOLLOWING ASPECTS ARE DESCRIBED IN THIS MANUAL AS THEY APPEAR IN LATIN BEAUTY ACADEMY'S SCHOOL CATALOG.**

**Satisfactory Academic Progress (SAP)**

The financial aid officer will advise enrolled applicants that in order to maintain eligibility for financial aid a student must meet standards of Satisfactory Academic Progress (SAP). Latin Beauty Academy publishes in its catalog its policy on measuring Satisfactory Academic Progress.

SAP standards must be the same for students not receiving financial aid. SAP must be verified at payment period intervals prior to disbursing aid. The Director of Education and Financial Aid Director will develop estimated payment dates mid-point reflecting when students' start dates are expected. SAP evaluations are done at the first mid-point of the first award year and every payment period thereafter. If a student is not meeting the minimum requirements for satisfactory progress, the student will be placed on probation (*explained below*).

The Satisfactory Academic Progress Policy is consistently applied to all students enrolled at the school. (*Latin Beauty Academy applies the Satisfactory Academic Progress Policy for all students, including students who do not receive Federal Student Aid.*) It is printed in the catalog to ensure that all students receive a copy prior to enrollment. The policy complies with the guidelines established by the National Accrediting Commission of Career Arts and Sciences (NACCAS) and the federal regulations established by the United States Department of Education. Students must maintain a minimum cumulative grade of 75% in the program of enrollment at each scheduled evaluation in order to be considered as making satisfactory progress.

Students with a minimum required cumulative grade average of 75% in theory and in practical, and a minimum 67% cumulative attendance percentage at each evaluation level of scheduled attendance will be considered to be making satisfactory academic progress until the next scheduled evaluation. In order to determine the attendance percentage, the actual hours of attendance will be divided by the scheduled hours of attendance. In order for a student to be considered to be making satisfactory academic progress at course midpoint, the student must meet both attendance and academic requirements in at least one evaluation by the midpoint of the course.

**Qualitative Criteria for Satisfactory Academic Progress**

Under the qualitative criteria, to make Satisfactory Academic Progress at Latin Beauty Academy, the student must comply with the following two criteria:

1. Demonstrate a minimum overall cumulative grade point average of 2.0 at the end of the student's course of enrollment, and at the end of each subsequent term thereafter.
2. Demonstrate successful completion of the required percentage of the total cumulative clock hours the student has attempted in the program of study at the intervals described below.

**Quantitative Criteria for Satisfactory Academic Progress**

As indicated in the table below, a student must maintain a satisfactory overall GPA and successfully complete a minimum percentage of coursework. The Maximum Time Frame for Completion of any program of study is 150% of the clock hours designated for the program in the school catalog. A student will not be making Satisfactory Academic Progress if the institution

determines that the student is unable to graduate from his or her program without exceeding the Maximum Time Frame for Completion. In such case, the student will be terminated from the program of study.

The calculation of the Maximum Time Frame for Completion includes all courses taken while the student is enrolled in his or her program of study, if the subject matter of a course or courses in that different program of study is substantially the same as a course in his or her current program of study, or if a course or courses count toward the satisfaction of any of the coursework requirement in the current program.

### Maximum Time Frame

The maximum time (which does not exceed 150% of the course length) allowed for students to complete each course at satisfactory academic progress is stated below:

Course	Weeks	Scheduled Hours	Maximum Time Allowed In Weeks	Maximum Time Allowed In Hours
Cosmetology	Full Time, 40 hrs/wk	1,200	45 weeks	1,800
Cosmetology	Part Time, 24 hrs/wk	1,200	75 weeks	1,800

The maximum time allowed for transfer students who need less than the full course requirements, or part-time students, will be determined based on 67% of the scheduled hours.

### Minimum Grade Required

- Cosmetology: 75%

Students are given both practical and theoretical grades. The following factors will be measured to determine academic progress: theory (test grades, homework, etc.); practical (rubrics, clinic work). The following is the grading scale used:

A = 4.0	90%-100%	Excellent
B = 3.0	80%-89%	Good
C = 2.0	75%-79%	Satisfactory
D = 1.0	70%-74%	Unsatisfactory
F = 1.0	0%-69%	Fail
I -		Incomplete
T -		Transfer

### Determination of Progress

Progress evaluation will be based on actual hour increments. The evaluation is to be signed by students at the time of the evaluation. Evaluations, at a minimum, will occur at the following hourly increments:

Program of Study	Total Hours	Hours at Evaluation
Cosmetology	1200	450, 900, 1200

## **Warning Status**

Students failing to meet minimum progress requirements at a scheduled evaluation will be placed on Satisfactory Academic Progress warning for one payment period until the next scheduled evaluation. At the end of the warning period, the student's progress will be re-evaluated. If the student is meeting minimum requirements, he or she will be determined to be making satisfactory academic progress. If the student has failed to achieve minimum requirements, the student will be allowed to submit an appeal for probation status.

## **Probation Status**

The institution has established a procedure to ensure that students meet all requirements prior to being placed on probation. The institution considers minimum standards for satisfactory academic progress by the following:

- a. Students who fail to meet minimum requirements for attendance or academic progress after the warning period will be placed on probation if they appeal and the appeal is approved;
- b. If the student appeals the decision at the beginning of the probation period, and prevails upon appeal. Only students who have the ability to meet the Satisfactory Academic Progress Policy standards by the end of the evaluation period will be placed on probation;
- c. The institution develops an academic plan, providing individual attention to the student who is placed on the academic plan. The student must be able to meet requirements set forth in the academic plan by the end of the next evaluation period in order to maintain satisfactory academic progress;
- d. The institution will determine the standards can be met by the end of the next evaluation period. Students who are progressing according to their specific academic plans will be considered as making Satisfactory Academic Progress. Students will be advised in writing of the actions required to attain satisfactory academic progress by the next evaluation, including the appeal process; and,
- e. Should a student appeal the decision and the appeal is not granted, Latin Beauty Academy will give the student the option to continue his or her studies on a cash payment basis only, or be terminated from the institution.

If a student still has not met satisfactory progress requirements at the end of the warning period, the school may allow for the status of probation. Probation is for students who are not considered meeting minimum standards for satisfactory academic progress if:

- The institution evaluates the student and determines that the student did not make satisfactory academic progress during the warning or previous evaluation, and,
- The student prevails upon an appeal of negative determination prior to being placed on probation, and,
- The institution determines that satisfactory academic progress standards can be met by the end of the subsequent evaluation, or,
- The institution develops an academic plan for the student that, if followed, will ensure that the student is able to meet the institution's satisfactory academic progress requirements by a specific point within the maximum time frame established for the individual student.

**Important:** *If a student fails to meet Latin Beauty Academy's published policy of Satisfactory Academic Progress and is placed on Academic Probation, the student is given a specific guideline on how to improve GPA within a specified timeframe. Student will receive a Financial Aid Warning Letter, reiterating the current status and what is required to maintain eligibility for Title*

*IV aid. During this warning period student will continue to receive financial aid funds. However, if an evaluation determines that student failed to accomplish SAP at the end of the specified warning period, student will be placed on Financial Aid Probation and the remainder of the Title IV funds put on hold pending appeal. A Financial Aid Probation Letter will communicate to student that access to Title IV aid has been suspended and the student is placed on a cash payment plan for the remainder of the program cost, or until Title IV eligibility is regained.*

### **Leave of Absence**

Latin Beauty Academy considers that any students who need to take a leave of absence from the school must submit in writing to the Director of Education a signed request for leave with supporting documentation. Students on leave of absence are not considered to be withdrawn from school. Students can only be allowed three leaves of absence per 12-month period, and the leave cannot exceed 60 days per leave. Any student who does not return from the leave of absence on the scheduled date will be withdrawn from school. A student on an approved leave of absence who has notified the school that he/she will not be returning will be withdrawn from the program. The date of withdrawal will be determined to be the earlier of the date of expiration of the leave of absence, or the date the student notifies the school that he/she will not be returning. The withdrawal date for a student who does not notify the school that he/she is not returning will be the date of determination. However, the institutional withdrawal calculation will be based on the last date of attendance. Leave of absence will extend the student's contract period and maximum time frame by the same number of days taken in the leave of absence.

**Important:** *As a leave of absence (LOA) is a temporary interruption in a student's program of study, LBA makes a Return Calculation.*

- 1. LBA has a published LOA policy, which states that all requests for leave of absence must be submitted in writing, including reason for request, to the Director of Education or a designated administrative staff for approval.*
- 2. An approved leave of absence cannot exceed 180 days within a 12-month period and no additional institutional charges will be assessed.*
- 3. A student returning from a LOA must resume training at the same point in the academic program as when the student began the LOA.*
- 4. If the student requesting LOA is a Title IV loan recipient, it must be made clear prior to granting LOA the effects that failure to return from leave will have on the student's loan repayment terms, which impact the expiration of the student's grace period.*

### **Cost of Attendance (Budget)**

Many students seek to obtain "need based" grants and loans, which are based on a family's demonstration of financial need for assistance to help with tuition payments. Cost of attendance (COA) is a factor used in making this determination and sets a limit on the total aid a student may receive in Stafford and PLUS loans and also is one of the basic components of the Pell Grant calculation. Cost of attendance outlines an estimate of the total educational expenses a student will incur for a period of enrollment.

A student's financial need is equal to a student's COA, minus the EFC, minus Pell funds awarded and minus financial aid from other sources; the total is equivalent to unmet need. Total financial aid may not exceed student's cost of attendance. A subsidized and or unsubsidized loan for a



given payment period cannot exceed the unmet need for that payment period. Note that in the case of unsubsidized loans, the EFC may be substituted for additional loan funds.

Components of COA include the sum of the following:

- Tuition and fees normally assessed for a student carrying the same academic workload, including costs of rental or purchase of equipment, materials, or supplies required of all students in the same course of study, an allowance for books, supplies, transportation, and miscellaneous personal expenses;
- An allowance for room and board;
- For students with dependents, an allowance for costs expected to be incurred for dependent care during periods that include, but are not limited to, class time, study time, fieldwork, internship, and commuting time for the student, the amount of which should be based on the number and age of such dependents and should not exceed reasonable cost in the community for the kind of care provided;
- For disabled students, an allowance for expenses (including special services, personal assistance, transportation, equipment, and supplies) reasonably incurred, related to the student's disability and not provided for by other agencies;
- For students placed in a work experience through a cooperative education program, an allowance for reasonable costs associated with such employment; and
- For students receiving SFA loans, the fees required to receive them. School may also include the fees required for nonfederal student loans, and in all cases the school can either use the exact loan fees charged to the student or an average of fees charged to borrowers of the same type of loan at that school.

Exceptions to the Normal Cost of Attendance (COA) Allowances are as follows:

- For students who are enrolled less than half time, only the costs for tuition, fees, allowances for books and supplies, transportation, and dependent care expenses may be included as part of the COA;
- The financial aid administrator has the authority to use professional judgment to adjust the COA for the SFA program recipient on a case-by-case basis to allow for special circumstances.

**Example: (budget for 9 months) Full time enrollment**

	\$6,100	Tuition
	200	Fee
	200	Books &Supplies
	9,495	Room & Board
	2,934	Transportation
	<u>4,833</u>	Miscellaneous
<b>Total</b>	<b>\$ 23,762</b>	<b>Cost of Attendance</b>
<b>Subtract</b>	<b>- 0</b>	<b>EFC</b>
	<u><b>-\$5,730</b></u>	<b>Expected Pell Grant</b>
	<b>\$18,032</b>	<b>Unmet Needs</b>
<b>Subtract</b>	<u><b>- 3,500</b></u>	<b>Subsidized Loan</b>
	<b>\$14,532</b>	<b>Unmet Needs</b>
<b>Subtract</b>	<u><b>6,000</b></u>	<b>Unsubsidized Loan</b>
	<b>?</b>	<b>Unmet Needs</b>



The Pell Grant is usually the first source of student aid. The Department of Education issues Pell Grant payment and disbursement schedules that base the award solely on the student's COA, EFC, and enrollment status. When awarding other sources of need-based aid, the Pell Grant must be accounted for. In some cases, scholarships and other aid may cause a student's financial aid package to exceed his/her need. When this happens, campus-based aids and loans must be reduced to prevent an over award.

### **Types of Federal Aid**

- a. Pell Grant
- b. Direct Loan
- c. Campus-based Aid (FSEOG, Perkins, FWS)
- d. Veterans Educational Benefits

### **Packaging/Awarding**

The awarding of financial aid is determined by the best combination of Federal Student Aid that meets a student's financial need, after FSA eligibility has been determined. The characteristics of the school's academic programs and the makeup of its student body may influence its packaging procedures. The general rule of packing is that a student's total financial aid and other estimated financial assistance (EFA) must not exceed the student's financial need (Need = cost of attendance – EFC). The Pell Grant is regarded as the first source of aid. The law requires an aid administrator to determine if a student qualifies for certain other FSA programs that would reduce the need for borrowing. For the purpose of providing each student with the most benefit, while eliminating the possibility of over awarding, Latin Beauty Academy uses the following guide when applying aid sources to the unmet need in the packaging process of financial aid:

### **Order of Packaging Aid**

1. Pell Grant
2. Subsidized Loan
3. PLUS Loan
4. Unsubsidized Loan

### **Packaging Method**

The following basic principles are applied when determining Pell Grant awards. The "schedule award" is the amount of Pell Grant funds a full time student would receive if he/she were in school for a full academic award during a single award year. The Central Processing System uses a nine-month calculation to determine Pell Grant EFC. The cost of attendance (COA) is constructed by using the full-time, full academic year values for the allowable components.

#### **Example of Pell COA (9 months):**

\$6,100	Tuition
200	Fee
200	Books & Supplies
9,495	Room & Board
2,934	Transportation
<u>4,833</u>	Miscellaneous
\$ 23,762	Cost of Attendance

The academic year definition must include a minimum of 36 weeks of instructional time for a program that is measured in clock hours. Addendum E provides a breakdown of academic year definition for each program offered by Latin Beauty Academy.

Latin Beauty Academy utilizes Department of Education’s Formula 4 in calculating Pell awards. The Pell Grant is paid in two installments over the course of the academic year in order to best suit the student’s need.

#### **Formula 4: Clock Hour Program**

Grant awards must be adjusted in recognition of total weeks of instructional time in the payment period in relation to the weeks of instructional in the academic year in the payment period in relation to total clock hour in the academic year. The computation that provides the lesser amount is used for awarding. Award by the lesser of:

Clock Hours in payment period

Clock hours in program’s definition of academic year

or

Weeks of instructional time in payment period

Weeks of instructional time in program’s definition of academic year

#### **Example:**

Carmen is enrolled full time in the Cosmetology program, and has a scheduled award of \$5730. The academic year is defined as 900 clock hour and 36 weeks. Is first payment period is calculated as follows:

$$\begin{array}{rcl} \$5,730 & \times & \frac{450 \text{ clock hours in the payment period}}{900 \text{ clock hours the program's academic year}} \\ & & = \$2,865 \end{array}$$

or

$$\begin{array}{rcl} \$5,730 & \times & \frac{18 \text{ weeks in the payment period}}{36 \text{ weeks in the program's academic year}} \\ & & = \$2,865 \end{array}$$

Each of the following aspects must be considered in using Formula 4:

- a. Determine enrollment status
- b. Calculate the Federal Pell Grant cost of attendance (COA)
- c. Determine the annual award
- d. Determine the payment periods
- e. Calculate the payment for a payment period

The Common Origination Disbursement System (COD) accepts cents in payment amount. LBA is not required to round disbursement to the nearest dollar, but is allowed to do so and applies the following rounding rule: Amounts of 0.5 or higher rounds up and 0.5 or lower rounds down to the nearest dollar. This rule is applied equally to all students.

## Disbursing FSA Funds

This is the process of distributing/crediting Title IV payments to all eligible students' accounts, and by regulation, schools are required to provide notification to recipients prior to disbursement. For clock hour programs, the earliest the school may disburse FSA funds is the latter of:

- 10 days before the first day of classes for that payment period; or
- the date the student completed the previous payment period for which her or she received FSA funds.

However, under the advance payment method, FSA allows that actual disbursement information can be submitted no earlier than 7 calendar days prior to the disbursement date. Latin Beauty Academy provides each enrolled FSA eligible student with an award letter, which provides details on the total funds expected to be received from each FSA program. LBA credits students' accounts for allowable charges, to include tuition cost and fees. Additionally, through Passive Confirmation notification, LBA notifies (via U.S. Mail) all loan recipients (or their parents) prior to crediting their account. Loan disbursement notification must include:

- Type of loans received (subsidized, unsubsidized, PLUS)
- Anticipated date and amount of the disbursement (gross and estimate net)
- Student (or parents') right to cancel all or part of the loan or disbursement
- Procedure and the time by which the student (or parents) must notify the school that he/she wishes to cancel the loan/disbursement.

Notification must be sent no earlier than 30 days before, and no later than 7 days after, crediting the student's account. If a student or parent borrower wishes to cancel all or a portion of the loan, he/she must inform the school.

When the school receives a loan cancellation request, the loan funds must be cancelled and or funds returned within 30 days of the date the school notified the student or parents of his/her rights to cancel all or a portion of the loan.

If the school receives a request for cancellation outside of this time frame, the school may, but is not required to, honor the request and must inform the concerned parties in writing of the outcome of the request.

If FSA funds credited to a student's account exceeds the student's allowable charges, the credit balance must be paid directly to student or parent as soon as possible, but no later than 14 days after:

- the date the balance occurred on student's account, if the balance occurred after the first day of class of the payment period, or
- the first day of classes of the payment period, if the credit balance occurred on or before the first day of class of that payment period.

The law requires that any excess PLUS loan funds be returned to the parent; however, the parent can direct the funds to be transferred to the student's account by providing the school with written authorization. Before disbursing FSA funds, the school must determine and document that a student remains eligible to receive funds and the following must be confirmed:

- student is enrolled for classes for the period

- student enrolled in a non-term program has completed the previous period (credit and weeks of instruction)
- disbursement occurs on or after the first day of classes that the student has begun attendance
- for a Direct Loan, the student is enrolled at least half time
- for the second Pell award within an award year, the student is enrolled at least half time
- for second Pell within an award year, the student is taking hours attributable to a second academic year within the same award year
- for year-round Pell awards, the student is enrolled in a payment period that is scheduled to occur in two award years, the entire payment period is considered to occur within one award year, and the school has assigned the payment period to the award year in which the student receives the greater payment for the period.

### **Disbursement Process**

Latin Beauty Academy defines disbursement, according to the Department of Education as the *payment of federal student aid funds to the borrower by the school. Students generally receive their federal student loan in two or more disbursements.*

### **Summary of Recent Changes to FSA Disbursement Requirements**

Latin Beauty Academy understands that the Cash Management Regulations specify that our institution must disburse all Title IV grant and loan funds on a payment period basis and FSA funds are disbursed using the payment period definitions in 34 CFR 668.4. Latin Beauty Academy has more than two payment periods. Our institution has implemented procedures on disbursing and awarding Title IV to ensure a correct performance of the Financial Aid Department.

### **Notification of Disbursement**

Financial Aid Department has implemented two types of notifications to inform the disbursement: (1) a general notification to all students receiving Title IV aid; and (2) a notice when loan funds are credited to a student's account.

### ***General Notification***

Latin Beauty Academy notifies to the student and/or his/her parents about the amount of funds assigned and they can expect to receive from each FSA program. The institution does this process through the aware letter, including FWS, and how and when those funds will be disbursed. The Financial Aid Department makes the notification before the disbursement is made. If the funds include a Stafford Loan (whether Direct Loan or FFEL), the institution indicates which funds are from subsidized loans and which are from unsubsidized loans. During this process, it is the main objective for the institution provides the best information that it has regarding the amount of FSA program funds a student can expect to receive as the actual loan disbursements received by a student may differ slightly from the amount expected by the school (due to loan fees and rounding differences). Latin Beauty Academy includes the gross amount of the loan disbursement or a close approximation of the net disbursement amount.

## ***Loan Notification***

Latin Beauty Academy notifies when Perkins, Stafford or PLUS loan funds are being credited to a student's account, except in the case of loan funds made as part of a post-withdrawal disbursement. The Financial Aid Department notifies the student or parent in writing (electronically) of the anticipated date and amount of the disbursement. Student's (or parent's) right to cancel all or part of the loan or disbursement (not required if issuing a paper check under the FFEL program).

## **Method of Disbursement**

Latin Beauty Academy uses two ways to disburse FSA funds: 1) by crediting the student's account for allowable charges at the school, or 2) by paying the student or parent directly. Credit to the student's account when the school disburses FSA program funds to the student by crediting the student's account, it may do so only for allowable charges.

### *Allowable Charges Include:*

- Current charges for tuition and fees; and
- Other current charges that the student has incurred for educationally-related activities if you obtain the student's written authorization or the parent's written authorization – in the case of PLUS loan funds).

## **Direct Disbursement to the Student**

Latin Beauty Academy disburses FSA funds directly to the student or parent. Department of Financial Aid has implemented that the first credit FSA funds to the student's account at the school, and then disburse the credit balance to the student or parent. There are three ways that Latin Beauty Academy may disburse FSA funds directly to the student or parent:

- Issuing a check or other instrument payable to and requiring the endorsement or certification of the student or parent (a check is issued if the school releases or mails the check to a student or parent, or notifies the student or parent that the check is available for immediate pickup).
- Disbursing to the student in cash, provided that your school obtains a signed receipt from the student or parent, or Releasing a FFEL check sent by a lender. A school may receive a borrower's Stafford Loan funds from a lender in the form of an individual bank check made payable to the borrower or co-payable to the borrower and the school.
- In the case of a co-payable check, the school and the borrower must endorse the check. Co-payable PLUS Loan checks must be sent directly to a school by a lender. A school must disburse PLUS proceeds to a parent borrower within 30 days of receiving a check. However, a school is not required to endorse a PLUS check before sending it to a parent borrower. The school may require the parent borrower to endorse the check and return it to the school for the school's endorsement. The school then endorses the check, deposits it and disburses the funds.

***\*These rules apply to the FWS program as well.***

Latin Beauty Academy has defined the date of disbursement as several regulatory requirements are based on that date. For instance, the institution must disburse a FSA credit balance to a student

within 14 days of the date it was created or within 14 days of the first day of class, and must notify the student of a loan disbursement within a time frame related to the date of that disbursement. Latin Beauty Academy has established that the date of disbursement also determines when the student becomes an FSA recipient and has the rights and responsibilities of an FSA recipient. It means that when FSA loan funds are disbursed to a recipient, the student or parent assumes responsibility for the loan and has the right to cancel the loan. A disbursement occurs when our school credits a student's account or pays a student or parent directly with: FSA program funds received from the Department.

Latin Beauty Academy has defined that when using school funds in place of FSA funds, there are two situations where the FSA disbursement is considered to have taken place on the earliest day that the student could have received FSA funds rather than the actual disbursement date: FSA program funds received from an FFEL lender, or School funds labeled as FSA program funds in advance of receiving actual FSA program funds (except as noted below).

If Latin Beauty Academy credits a student's account with its own funds earlier than 10 days before the first day of classes of a payment period, that credit is not considered an FSA disbursement until the 10th day before the first day of classes (the earliest a school may disburse FSA funds).

If a Stafford borrower is subject to the 30-day disbursement delay and a school credits the student's account with its own funds before the 30 days have elapsed, this is not counted as an FSA loan disbursement until the 30th day after the beginning of the payment period.

Latin Beauty Academy has established that if the institution makes a memo entry for billing purposes or credits a student's account and does not identify it as an FSA credit (for example, an estimated Federal Pell Grant), it is not a disbursement. Latin Beauty Academy has right to prepare billing statements or invoices showing the estimated amount of FSA funds that students are eligible to receive; however, these estimated amounts are not FSA disbursements.

### **Checking Eligibility at the Time of Disbursement**

Latin Beauty Academy before award funds to a student; the institution confirms that he or she was an eligible student for Title IV and/or he/she was making satisfactory academic progress. However, before disbursing FSA funds, Latin Beauty Academy determines and documents that the student remains eligible to receive them. That is, our Department of Financial Aid must confirm that: the student is enrolled for classes for the period and the student enrolled has completed the previous period or clock hours and weeks of instruction. If the disbursement occurs on or after the first day of classes, that the student has begun attendance; for FFEL an DL loans, the student is enrolled at least half time; for all ACG Grants, the student is enrolled full time; for second year ACG Grants, at the end of the first academic year, the student has at least a 3.0 cumulative GPA on a 4.0 scale; and for National SMART Grants, the student – is enrolled full time; has at least a 3.0 cumulative GPA on a 4.0 scale, and is enrolled and taking at least one course in an eligible major.

If a student ineligible for a Stafford or PLUS disbursement is if the student has dropped below half time, so it is important that your office have a system to check the student's enrollment status at the time of disbursement. If the student has dropped below half time temporarily, you may still make a Stafford or PLUS disbursement after the student resumes at least half time enrollment.



## **FFEL/DL Disbursements within a Single Term/Payment Period**

Latin Beauty Academy makes two disbursements of a FFEL or Direct Loan that is certified for a single term or a single payment period; unless it qualifies for the special rule based on low cohort default rates.

- 1) First disbursement for instructional time in length, for a remainder of a program equal to or less than  $\frac{1}{2}$  an academic year;
- 2) The second disbursement may not be paid until the student successfully completes  $\frac{1}{2}$  of the weeks of instructional time in the payment period; and  $\frac{1}{2}$  of the clock or credit hours in the payment period.

Latin Beauty Academy uses Formula 3 to calculate a Pell Grant, ACG, or National SMART Grant Pell/ACG/National SMART, which makes that the disbursements within a single term. Based on this explanation, the student's total payment for a payment period may exceed 50% of the student's annual award. However, the disbursements of the student's Pell Grant, ACG, or National SMART Grant in the payment period cannot exceed 50% of the student's annual award until the student completes in the payment period at least  $\frac{1}{2}$  the weeks of instructional time in the academic year.

## **Timing of Disbursements**

Latin Beauty Academy considers that the timing of disbursements is especially important for Pell, ACG, and National SMART Grant and Stafford/PLUS loan funds, because our institution must schedule disbursement dates with the Department and/or private lenders.

## **Basic Rules for Early and Delayed Disbursements**

The earliest that Latin Beauty Academy may disburse FSA funds by crediting the student's account or by paying directly to the student or parent is 10 days before the first day of classes for that payment period or the date the student completed the previous payment period for which he or she received FSA funds. This limitation is also applicable to FFEL and DL disbursements in credit-hour programs with non-standard terms that are not substantially equal in length.

Latin Beauty Academy specify that other restrictions apply. For example, if a student is in the first year of the program and is a first-time Stafford borrower, Latin Beauty Academy may not disburse the first installment of the Stafford loan until 30 calendar days after the student's program of study begins. A student can receive the first disbursement of FSA grant or Perkins loan funds when the student begins the program or academic year. The student becomes eligible to receive a disbursement of FSA grant funds for the second payment period when the student successfully completes half the weeks of instructional time AND half the clock hours in the academic year or program or the remaining portion of a program that is more than one-half of an academic year but less than a full academic year. As our institution uses Formula 3 to calculate a Pell Grant, ACG, or National SMART Grant, the student's total payment for a payment period may exceed 50% of the student's annual award. However, the disbursements of the student's Pell Grant, ACG, or National SMART Grant in the payment period cannot exceed 50% of the student's annual award until the student completes in the payment period at least  $\frac{1}{2}$  the weeks of instructional time in the academic year. Therefore, Latin Beauty Academy make at least two disbursements to the student in the payment period if it wishes to make an initial disbursement at the beginning of the payment period.



## **Disbursing FSEOG & Perkins**

Latin Beauty Academy is awarding an FSEOG or a Perkins Loan for a full academic year, which must advance a portion of the grant or loan during each payment period. In general, to determine the amount of each disbursement, Latin Beauty Academy divide this award amount by the number of payment periods the student will attend. However, if the student incurs uneven costs or receives uneven resource during the year and needs extra funds in a particular payment period, your school may advance the additional FSEOG or Perkins amounts to the student in whatever manner best meets the student's needs.

### ***Retroactive Disbursements for Completed Periods***

Latin Beauty Academy pays a student retroactively for any completed payment periods within the award year if the student was eligible for payment in those periods. If our institution is paying a Pell grant for a completed term in which no Pell disbursement has been made, the Pell grant must be based on the hours completed by the student for that term. If the student had enrolled full time at the beginning of the fall term but dropped to half-time status by the end of the term, the retroactive disbursement must be based on half time status. At a term school, all completed coursework counts towards enrollment status, including earned F's and incompletes that have not converted to "F" grades because the student failed to complete the course work. (This Pell requirement does not apply to any other FSA program.) Latin Beauty Academy to include an earlier period of eligibility when certifying a Stafford Loan, the student would have had to complete at least a half-time course load in that period. In the case of loans disbursed on a payment period basis, if a student attended the previous payment period but did not maintain eligibility for a Stafford loan, Latin Beauty Academy may not include the previous payment period or its costs in the loan period. In addition, the institution can make any retroactive disbursements in one lump sum.

### **Prompt Disbursement Rules**

Latin Beauty Academy is receiving federal cash from the Department through one of the heightened cash monitoring payment methods, which must make disbursements as soon as administratively feasible but no later than 3 business days after receiving funds from the Department. The disbursements may be credited to the student's account or made directly to the student or parent, as discussed earlier. These timeframes for disbursing to the student's account (or directly to the student/parent) are different than those for paying FSA credit balances to the student or parent as Latin Beauty Academy generally has 14 days to pay an FSA credit balance to the student or parent, unless it has written permission to hold the credit balance.

### **Disbursing FWS Wages**

Latin Beauty Academy uses as weekly payroll period monthly. LBA pays the nonfederal share to the student at the same time pay the federal share. FWS wages are earned when the student performs the work. Latin Beauty Academy pays the student after the last day of attendance for FWS wages earned while he or she was still in school. However, when a student has withdrawn from school and is not planning to return, FWS funds are used to pay for work performed after the student withdrew. A correspondence student is submitted the first completed lesson before receiving a disbursement under the FWS Program.

## **Crossover Payment Periods**

Latin Beauty Academy based on the definition of *Crossover Payment Periods*, which is when a payment period is in two award years (that is, when it begins before and ends after July 1), the student is paid for compensation earned through June 30 with funds allocated for the first award year and for compensation earned beginning July 1 with funds allocated for the following award year. Disbursing to students from the correct award year is important; for this reason, Latin Beauty Academy held liable when students were paid from the wrong FWS authorization. Latin Beauty Academy keeps documentation (e.g., canceled checks, bank statements) showing that students received disbursements in the amount charged to the FWS Program.

## **Holding FWS Funds on Behalf of the Student**

Latin Beauty Academy using a written authorization from a student hold, on behalf of the student, FWS funds that would otherwise be paid directly to the student; which it is not prohibited by the terms of a reimbursement payment method. The student's signed document is identified with the amount of FWS funds held for the student in a designated subsidiary ledger account, maintain cash in its bank account that is always at a minimum equal to the FWS funds being held for students, and disburse any remaining balance by the end of the school's final FWS payroll period for the award period.

## **Completion of Coursework**

### *Requirements Pell Grants*

Latin Beauty Academy disburses a Federal Pell Grant to an eligible student, who is enrolled and only after it determines that the student has successfully completed the credits or clock hours and weeks of instructional time in the prior payment period as defined in Volume 3, chapter 1 for which he or she has been paid a Federal Pell Grant.

### *Stafford and PLUS Loans in Clock-Hour Programs*

Latin Beauty Academy measures academic progress in clock hours, so the institution does not deliver the second half of the loan proceeds until the student completes each academic period based SAP (actual time), Latin Beauty Academy delivers loan proceeds in substantially equal installments, and no installment may exceed one-half of the loan.

## **Excused Absences**

Latin Beauty Academy counts a limited number of excused absences when deciding whether the student has completed the hours in a payment period. Latin Beauty Academy has established that an excused absence is only be counted if the student is excused from hours that were actually scheduled; however even the clock hours were missed, the students must make up to receive the diploma for the program.

For instance, a student in the Cosmetology program that has 450-clock-hour payment periods might miss 20 clock hours and only have attended 430 clock hours at the point where 450 clock hours of instruction had been given. As Latin Beauty Academy has an excused absences policy, and the hours missed are considered excused, the student could be paid the next disbursement. To be counted for FSA purposes, excused absences are permitted in the school's written policies. Under FSA regulations, no more than 10% of the clock hours in a payment period may be

considered excused absences. If your school's accrediting agency or the state agency that legally authorizes your school to operate allows fewer hours to be counted as excused absences, you must follow the stricter standard rather than the FSA standard.

## **Retaking the Course**

### Withdrawal and Reentry within 180 Days

Latin Beauty Academy has established that when a student withdraws from the program during a payment period or period of enrollment and then reenters the same program within 180 days, the student is put back into the same payment period, and any FSA funds that the school or student returned to FSA are repaid to the student. A student who ceases attendance but returns within 180 days may not be paid for repeating coursework.

### Withdrawal and Reentry After 180 Days

Latin Beauty Academy has established that a student who withdraws from the program and then reenters the same program after 180 days is treated in the same manner as a student who transfers into the program from another school; i.e., the student immediately begins a new payment period or period of enrollment. In this circumstance, the student may be paid for repeating coursework if the student is receiving credit for the repeating the course. Take, for example, a student who withdraws after completing 302 clock hours of a 900-clock-hour program, so there are 148 hours in the payment period that the student did not complete. The student reenrolls after 180 days in the same program and receives credit for 100 hours. The program length for purposes of determining the new payment periods and period of enrollment is 800 clock hours (the remainder of the student's program), so the new payment periods are 400 hours and 400 hours. The FSA payments would be for 400 hours for both payment periods, not limited to 148 hours for a payment period. If the student in this example received no credit for previously completed hours, the student's program length for purposes of determining the payment periods would be 900 clock hours.

### Repeating After Program Completion

Any student who completes an entire program, and later reenrolls to take that same program again or to take another program may be paid for repeating coursework regardless of the amount of time between completion of the first program and beginning the program or another program again.

## **Late Disbursements**

Generally, an otherwise eligible student or parent becomes ineligible to receive FSA funds on the date that the student: for a loan made under the FFEL or Direct Loan program, is no longer enrolled at least half time; or for purposes of the Pell Grant, ACG and National SMART Grant, FSEOG, and Perkins Loan programs, the student is no longer enrolled at the school for the award year. However, if certain conditions are met, students must be considered for a disbursement after the date they became ineligible. These disbursements are called "late disbursements."

### **Conditions for a Late Disbursement**

Latin Beauty Academy considers a student must be considered for a late disbursement as long as the Department has processed a SAR/ISIR with an official EFC before the student became ineligible. Therefore, Latin Beauty Academy reviews its records to see if a student who did not

receive a disbursement of FSA funds before becoming ineligible is eligible for a late disbursement. The procedure consists in revise information of the student ISIR record as it includes the date the Department processed the application and created the SAR/ISIR. In addition, for an FFEL or Direct Loan program loan, the loan must be certified or originated, as applicable, prior to the date the student became ineligible. Similarly, for an FSEOG or a Federal Perkins. Loan, the school must have made the award to the student prior to the date the student became ineligible. If a student who qualifies for a late disbursement completes the payment period or period of enrollment, or withdraws during the payment period or period of enrollment; Latin Beauty Academy offers as appropriate, the late disbursement. A late disbursement for a student who has withdrawn during the payment period or period of enrollment is called a Post-withdrawal disbursement. If a student did not withdraw or complete the payment period or period of enrollment but ceased to be enrolled as at least a half-time student, Latin Beauty Academy may make a late disbursement of a loan under the FFEL or Direct Loan programs. A student who withdraws and subsequently signs a promissory note in time for Latin Beauty Academy to include the loan funds in the Return of Title IV Aid calculation receive a late (post withdrawal) disbursement of the applicable amount of his or her loan funds. In addition, a student who loses eligibility for a reason other than his or her withdrawal and subsequently signs a promissory note may receive a late disbursement of the applicable amount of his or her loan funds. If a student's enrollment status for an ACG or National SMART Grant was full-time on the date the student ceased to be enrolled, the school may make a late disbursement.

### **Limitations on Making a Late Disbursement**

Based on regulations, Latin Beauty Academy is prohibited from making a late disbursement in certain situations, even if a student otherwise meets the conditions for a late disbursement.

1. A late second or subsequent disbursement of FFEL or Direct Loan funds unless the student has graduated or successfully completed the loan period (34 CFR 668.164(g)(4)(ii));
2. A late disbursement of FFEL or Direct Loan funds to a first year, first-time borrower who withdraws before the 30th day of the student's program of study (34 CFR 668.164(g)(4)(iii)) (unless the school meets the requirements for a waiver in 34 CFR 6882.604(c) (5) and 34 CFR 685.303(b)(4));
3. A late disbursement of Federal Pell Grant, ACG or National SMART Grant funds to a student for whom the school did not have a valid SAR/ISIR by the deadline established by ED.
4. A late disbursement of an ACG or National SMART Grant if a student's enrollment status for an ACG or National SMART Grant was not full-time on the date the student ceased to be enrolled.

In addition, Latin Beauty Academy does not make a late disbursement later than 180 days after the date the student becomes ineligible. (*Note that for an FFEL that was certified prior to the student becoming ineligible, the funds would have to be disbursed to the school by the lender in sufficient time for the school to deliver the funds to the student within 180 days of the date the student became ineligible.*)

### **Paying a Late Disbursement**

If a student has completed the payment period or period of enrollment; Latin Beauty Academy pay or offer the late disbursement to the student or parent. For a post-withdrawal disbursement to a student who withdrew during a payment period or period of enrollment; Latin Beauty Academy

follows the rules for paying and/or offering a Post-withdrawal disbursement in regulations governing the Return of Title IV Funds. Latin Beauty Academy makes a late disbursement of an FFEL or Direct Loan to a student who ceases to be enrolled as at least a half-time student, for this case the school determines the amount of the late disbursement of the FFEL or Direct Loan it will offer the student by determining the educational costs the student incurred for the period of instruction during which the student was enrolled at least half time.

Latin Beauty Academy contact a student prior to making **ANY** late disbursement of Title IV loan funds, and explain to the student his or her obligation to repay the loan funds if they are disbursed. The information provided in this notification must include the information necessary for the student or parent to make an informed decision about whether the student or parent would like to accept any disbursement of the loan funds. In addition, Latin Beauty Academy confirms that the loan funds are still needed by the student, and that the student wishes the school to make the disbursement.

Latin Beauty Academy credits a student's account with a late disbursement of Title IV grant funds without the student's permission for current charges for tuition, and other fees up to the amount of outstanding charges. Our institution obtains a student's authorization to credit a student's account with Title IV grant funds for charges other than current charges.

If a student due a late disbursement of Title IV grant funds has no outstanding charges on his or her account, or if grant funds remain to be disbursed from a late disbursement after the outstanding charges on the student's account have been satisfied, Latin Beauty Academy pays the grant funds directly to the student within 14 days. If a student due a late disbursement of Title IV funds has a credit balance composed of FSA loan funds, our institution offers the funds in writing to the student, and may not disburse the funds directly to the student without first having obtained the student's authorization.

### **Credit Balance Process**

Latin Beauty Academy recognize that if a student did earn academic credit at all of the schools previously attended for a relevant award year, no further action is required unless the institution has reason to believe that the student has had a practice of enrolling just long enough to receive credit balances before disappearing. In such cases, the institution has created a guidance and/or procedure for cases when academic credit is not earned.

### **Procedure for Academic Credit is not Earned**

Latin Beauty Academy has established that when academic credit is not earned at a previously attended school, and, if applicable, our institution must obtain documentation from the student explaining why the student failed to earn academic credit. The institution also determines whether the documentation provided supports:

- 1) the reasons described by the student; and
- 2) that the student did not enroll only to receive credit balance funds.

Funds held as credit balances in institutional accounts is not counted in the 90/10 formula. However, once funds held as credit balances are used to satisfy institutional charges, they are counted in both the numerator and the denominator of the formula. These time frames for disbursing to the student's account (or directly to the student or parent) are different than those for paying FSA credit balances to the student or parent. ***Latin Beauty Academy has 14 days to pay an***

***FSA credit balance to the student or parent, unless it has written permission to hold the credit balance.***

### **Time Frame for Paying FSA Credit Balances**

For Latin Beauty Academy an FSA credit balance occurs whenever our school credits FSA program funds to a student's account and the total amount of those FSA funds exceeds the student's allowable charges. If FSA disbursements to the student's account at Latin Beauty Academy creates an FSA credit balance, our institution must pay the credit balance directly to the student or parent as soon as possible but no later than 14 days after:

- The date the balance occurred on the student's account, if the balance occurred after the first day of class of a payment period, or
- The first day of classes of the payment period if the credit balance occurred on or before the first day of class of that payment period.

### **Procedure for Excess PLUS Loan funds**

Latin Beauty Academy understands that the law requires that any excess PLUS Loan funds be returned to the student or parent. Therefore, if PLUS Loan funds create a credit balance, the credit balance would have to be given to the parent. However, the parent may authorize our school (in writing or through StudentLoans.gov) to transfer the proceeds of a PLUS Loan credit balance directly to the student for whom the loan is made (for example, to a bank account in the student's name). The Department does not specify how a school must determine which FSA funds create an FSA credit balance.

Latin Beauty Academy not require a student to take any actions to obtain his or her credit balance. It is the sole responsibility of the school to pay, or make available, any FSA credit balance within the 14-day regulatory time frames. Notwithstanding any authorization obtained by the Latin Beauty Academy, our school must provide the student with any remaining FSA credit balance resulting from FSA loan funds by the end of the loan period and any other FSA program credit balances by the end of the last payment period in the award year for which the funds were awarded as ***Latin Beauty Academy is responsible to pay credit balance in time frame.***

### **Paying FSA Credit Balances by Issuing a Check**

Latin Beauty Academy may pay a credit balance to a student by issuing a check payable to and requiring the endorsement of the student or parent. Latin Beauty Academy is considered to have issued the check on the date that it:

- Mails the check to the student or parent; or
- Notifies the student that the check is available for immediate pickup and provides the Department of Financial Aid.

Latin Beauty Academy that is paying a student his or her credit balance with a direct disbursement within the 14-day time frame. Latin Beauty Academy within that 14-day is responsible for sending a notice to the student that his or her money is available as our school is considered to have met the 14-day requirement to give the student his or her credit balance, as long as the school's process complies with the rest of the regulation. That is, the school must be able to give the student a check when the student comes to the office within the 14-day time frame.



If a student is told (within the 14-day period) to come to the business office to pick up his or her credit balance in the Office of Financial Aid, the student must be able to leave the business office with the funds in some form (e.g., a check, cash, or an appropriate stored-value card). Latin Beauty Academy may hold the check for up to 21 days after the date it notifies the student. If the student does not pick up the check within this 21-day period, our institution immediately mails the check to the student or parent, initiate an EFT to the student's or parent's bank account, or return the funds to the appropriate FSA program.

### **Paying FSA Credit Balances by Initiating an EFT**

Latin Beauty Academy can pay a credit balance by initiating an EFT to a bank account designated by the student or parent. Moreover, our institution suggests that our students should provide information about an existing bank account or open an account at a bank of the student's choosing to avoid delay with the disbursement of FSA funds to them. Consequently, if a student does not want to provide this information, Latin Beauty Academy must nevertheless disburse the funds to the student either by dispensing cash, for which the school obtains a signed receipt, or issuing a check. The disburse of the credit balance occurs within the regulatory time frame.

### **Time Frame for Returning an Unclaimed Title IV Credit Balance**

If Latin Beauty Academy attempts to disburse the credit balance by check and the check is not cashed; our institution returns the funds to the Department no later than 240 days after the date the school issued the check. If a check is returned to a school or an EFT is rejected, our school makes additional attempts to disburse the funds not later than 45 days after the funds were returned or rejected.

### **Holding FSA Credit Balances**

Latin Beauty Academy is permitted to hold credit balances if it obtains a voluntary authorization from the student (or parent, in the case of PLUS). If our school has the authorization to hold the credit balance, our institution identifies the amount of funds that it holds for the student or parent in a subsidiary ledger account designated for that purpose. Our institution also maintains, at all times, cash in the bank account at least equal to the amount that it holds for students. Latin Beauty Academy is permitted to retain any interest earned on the student's credit balance funds. As FSA funds are awarded to students to pay current year charges, notwithstanding any authorization from the student or parent, our institution must pay:

- Any remaining balance on FSA loan funds by the end of the loan period, and
- Any other remaining FSA program funds by the end of the last payment period in the award year for which they were awarded.

If Our school has lost contact with a student who is due a credit balance, we use all reasonable means to locate the student. If we still cannot find the student, our institution returns the credit balance to the appropriate FSA program(s) and/or lender.

### **Authorization to Hold an FSA Credit Balance**

Latin Beauty Academy understands and applies all elements of an authorization to hold an FSA credit balance, which are conspicuous and include the following elements:



- An authorization must explain what FSA funds are covered by the document, and it must specify the time period covered.
- An authorization must clearly provide the student or parent with the information he or she needs to make an informed decision.
- The student or parent must be informed that he or she may refuse to authorize any individual item, that he or she may cancel such authorization at any time, and that a cancellation is not retroactive.
- A credit-balance authorization must provide detail that is sufficient to give the student or parent an idea of how the credit balance will be used.

### **Mechanical Devices and System Safeguards**

Latin Beauty Academy has implemented the use of mechanical devices to have an effective control on each financial aid process. For example, when institution distributes FSA credit balances by check, the School Department of Financial Aid adopts procedures that ensure that checks that cannot be delivered are returned to a lockbox type device. Returned checks are recorded and provided the same safeguards as cash.

### **Treatment of Title IV Credit Balances When a Student Withdraws**

If a student with an FSA credit balance withdraws before the funds are disbursed, Latin Beauty Academy makes a re-calculation and informs the students/parents his/her current financial situation. All returns of FSA Grants and Direct Loan funds previously disbursed (unclaimed credit balances), our institution returns through the G5 system.

Latin Beauty Academy understand that the accounting record for each federal student aid program is self-balancing, and must be separated completely from the accounting records of all other federal student aid programs and from the accounting record for the general operating fund of the school. Within each program, the sum of ledger accounts with debit balances equals the sum of ledger accounts with credit balances.

Latin Beauty Academy has established the following procedure when a student withdraws during a period and Title IV credit balance is created during this period:

1. Do not release any portion of a Title IV credit balance to the student, and do not return any portion to the Title IV programs prior to performing the Return calculation. Latin Beauty Academy holds these funds even if, consistent with the 14-day credit balance payment requirement of 34 CFR 668.164(e), it would otherwise be required to release them.
2. Perform the Return calculation, including any existing Title IV credit balance for the period in the calculation as disbursed aid.
3. Apply any applicable refund policy (state, accrediting agency, institutional, etc.) to determine if doing so creates a new or larger Title IV credit balance.
4. Allocate any Title IV credit balance as follows:
  - a) Any Title IV credit balance is allocated first to repay any grant overpayment owed by the student as a result of the current withdrawal. Latin Beauty Academy returns such funds to the Title IV grant account within 14 days of the date that the institution performs the Return calculation. Although not included in a Return calculation, any Title IV credit balance from a prior period that remains on a student's account when the student withdraws is included as Title IV funds when is determined the amount of any final Title IV credit balance when a student withdraws. Latin Beauty Academy uses the final credit balance first to satisfy any current student grant overpayment.
  - b) Within 14 days of the date, Latin Beauty Academy performs the Return calculation and pays any remaining Title IV credit balance funds in one or more of the following ways:

- In accordance with the cash management regulations to pay authorized charges at the institution (including previously paid charges that now are unpaid due to a return of Title IV funds by the institution);
- Latin Beauty Academy do not use a Title IV credit balance to return funds for which we are responsible as a result of a Return calculation;
- With the student’s authorization, to reduce the student’s Title IV loan debt (not limited to loan debt for the period of withdrawal); or
- To the student (or parent for a Direct PLUS Loan).

In order to accommodate differences in institutional accounting and administrative processes, Latin Beauty Academy does not apply the Title IV credit balance to the student’s grant overpayment before applying the Title IV credit balance to other debts, as long as the grant overpayment is satisfied by the 14-day deadline. Our institution uses school funds instead of the actual Title IV credit balance to satisfy any student grant overpayment. Latin Beauty Academy pay any funds that are part of a Title IV credit balance (and therefore are funds that have already been disbursed) to a student on an LOA.

If the Title IV credit balance created from funds disbursed before the death of the student exists after the completion of the Return calculation and the institutional refund calculations, resolve the Title IV credit balance in one of the following three ways.

1. In accordance with the cash management regulations, paying authorized charges at the institution (including previously paid charges that are now unpaid due to the Return of Title IV funds by the institution);
2. Returning any Title IV grant overpayments owed by the student for previous withdrawals from the present school (the institution may deposit the funds in its federal funds account and make the appropriate entry in G5); if the institution has previously referred the grant overpayment to Debt Resolution Services, Latin Beauty Academy should provide Debt Resolution Services with documentation that the student has died so that Debt Resolution Services can delete the overpayment from its records.
3. Returning any remaining credit balance to the Title IV programs. Refund the return of interest or excess cash to the Department from G5 drawdowns or the return of audit and program review liabilities and fines.

### **Receiving Information about a Dead Student**

If, during the school year, Latin Beauty Academy receives information that a current recipient of Title IV aid has died, our institution determines the validity of that information. Until the school has determined whether or not the student remains in attendance, the school does not make additional disbursements of Title IV aid to the student (including releasing any Title IV credit balance that might exist on the student’s account from a disbursement made previously).

In order to avoid causing distress to a student’s family and friends based on an inaccurate report of a student’s death received by the school; Latin Beauty Academy first makes internal inquiries and consult public information sources. If there is no local newspaper report of a student’s death, we conduct an online search of the student’s hometown newspaper and the newspapers where the death was reported to occur.

Latin Beauty Academy also searches the student’s home state vital records office. Internally, our institution gets attendance reports from the faculty in whose classes the student is currently enrolled. Our institution also writes the student at the local residence of record and at any

electronic address available (email and social media) to inform the student that it will not be making further disbursements of financial aid to the student until he or she calls or visits the financial aid office. If a Title IV credit balance created from funds disbursed before the death of the student exists after the completion of the Return calculation and the institutional refund calculations, the institution resolves the Title IV credit balance as follows:

1. In accordance with the cash management regulations, paying authorized charges at the institution (including previously paid charges that are now unpaid due to the Return of Title IV funds by the institution);
2. Returning any Title IV grant overpayments owed by the student for previous withdrawals from the present school (the institution may deposit the funds in its federal funds account and make the appropriate entry in G5). If our institution has previously referred the grant overpayment to Debt Resolution Services, we provide Debt Resolution Services with documentation that the student has died so that Debt Resolution Services can delete the overpayment from its records.
3. Returning any remaining credit balance to the Title IV programs.

### **Institution's Default Prevention Plan**

Latin Beauty Academy is committed to assisting and educates students and parents about their loan repayment obligation, encouraging them for getting a successful repayment, and prevents delinquent repayment. Our institution employs evaluation, prevention, and outreach activities to work in advance to reduce the risk of default by our borrowers. The Institution's Default Prevention Plan will allow to our school, as needed, in managing our cohort default rates. Our institution in this matter is focused on implement effective and easy tools that reduce defaults, promote student and school success, help preserve the integrity of the loan programs, and reduce costs to taxpayers are available to our school.

The objectives for our Institution's Default Prevention Plan are:

- Identify the factors causing the default rate to exceed the threshold
- Establish measureable objectives and the steps the institution will take to improve its cohort default rate
- Specify the actions the institution will take to improve student loan repayment

### **Default Prevention and Management Plan**

This Default Prevention and Management Plan provides to our institution with activities, techniques, and tools to promote student and parent's success and reduce student loan defaults in the Federal Family Education Loan (FFEL) and William D. Ford Federal Direct Loan (Direct Loan) programs. As requirement, our institution has adopted a default prevention and management plan following regulatory guidance including: entrance counseling and exit counseling for borrowers, reporting timely and accurate enrollment information to the U.S. Department of Education (the Department), and sharing satisfactory academic progress information across campus.

### **Benefits of Adopting a Default Prevention and Management Plan**

Default Prevention and Management Plan promotes student and school success by increasing retention and reducing delinquency and default. Our institution and students receive benefits when

we implement the activities, techniques, and tools outlined in this plan. The benefit for our institution is avoiding any limitations on participation in the loan programs due to excessive cohort default rates (CDRs). Students benefit by having continued access to Title IV Student Financial Assistance Programs, learning good debt management practices, and establishing a healthy credit history. As our school is actively committed to promoting student success, we guarantee an excellent students learning process, graduation, obtain employment, and demonstrate financial responsibility through repayment of the funds borrowed to finance their education.

### **Consequences of Default for Borrowers**

Latin Beauty Academy is responsible that our student borrowers understand who default on student loans face serious consequences. Stafford Loans are considered in default after 270 days without payments. At the time of default, outstanding interest is capitalized and collection fees may be added, resulting in a loan balance that is higher than the amount borrowed. Defaulted loans are reported to credit bureaus, causing borrowers to sustain long-term damage to their credit rating. Defaulters may also face difficulty in securing mortgages or car loans, may have their wages garnished, and their federal income tax refunds and other federal payments seized. Until the default is resolved, collection efforts continue and the defaulter will be ineligible for additional federal student aid.

### **Consequences of Default for Schools**

Latin Beauty Academy understands that a default for our schools implies serious consequences due to high CDRs. Consequences include the loss of participation in the FFEL, Direct Loan, and/or Pell Grant programs. Schools may also be provisionally certified.

### **Early Stages of Enrollment**

Latin Beauty Academy and borrowers are benefited with the implementation of our default prevention and management activities. Our school can undertake these required and recommended activities to make up a default prevention and management plan as early as during student enrollment in order to reduce the incidence of default.

### **Entrance Counseling**

Latin Beauty Academy requires that first time borrowers of FFEL and Direct Loan program loans receive entrance counseling. During entrance counseling, our institution explain how the master promissory note works, emphasize the importance of repaying the loan, describe the consequences of default, and show borrowers sample monthly repayment amounts based on their program of study at our school. Our school enhances entrance counseling to include financial literacy and ensure that borrowers thoroughly understand all information. In addition, our school collects as much contact information about borrowers as possible during entrance counseling to facilitate future contact if needed. These activities ensure more knowledgeable, responsible borrowers, and result in fewer defaulters as well.

### **Financial Literacy for Borrowers**

As recommended by the Department of Education, our school provides borrowers with information concerning the income potential of occupations relevant to his/her program of study, counseling at various stages of enrollment, interactive tools to manage debt, repayment options,

and school contact information. Our institution offers this information through a variety of media such as counseling, classes, publications, and electronic newsletters to email accounts, adding the information to award letters, or using a combination of methods. Our school also provides borrowers with entrance counseling material and the following resources at enrollment and following graduation or withdrawal:

- Estimate of required monthly payments on the borrower's loan balance,
- Calculators to help estimate and manage debt,
- Loan servicer contact information,
- Contact information for delinquency and default prevention assistance on campus,
- Introduction to NSLDS for Students,
- Repaying Your Student Loans publication.

### **Early Identification and Counseling for Students at-Risk**

Latin Beauty Academy, from the admission interview and financial aid process, identify borrower who may be a student at-risk who withdraw prematurely from educational programs, as well as borrowers who do not meet standards of satisfactory academic progress or both. Our institution implements counseling at-risk borrowers focused on the causes of withdrawal or unsatisfactory academic progress and solutions to resolve these matters. The end result of working with at-risk our students will be more borrowers completing their educational programs, equating to a higher retention rate for the school and lower numbers of defaulted borrowers.

### **Communication Across Campus**

Latin Beauty Academy recognizes the importance of keeping a good communication of information relevant to the prevention and management of defaults must be a school-wide effort, which is the responsibility of the entire administrations and directors. Latin Beauty Academy has as mandatory policy communicate information across campus, which involve a default for borrower students. Each administrators and directors are trained on communication procedures for effectiveness and inclusiveness, as well as communicate additional information to promote success.

Information regarding borrowers' academic progress and enrollment status is components of the information received by all relevant offices across campus including the offices that disburse funds and authorize payments. It is clear for Latin Beauty Academy that an accurate and timely communication among school entities and the Department of Education not only ensures the right aid is getting to the right student, but such communication will help our school comply with regulations regarding the school's standards of administrative capabilities, accurate and timely reporting of borrowers' enrollment status, and satisfactory academic progress.

### **Default Prevention and Retention Staff**

Latin Beauty Academy has designed to dedicated staff to cooperate to student retention activities as a key to our school and student success as well as default reduction. Our institution adopts this strategy as they are in an excellent position to establish working relationships with borrowers from early in the students' experience through repayment.

## **Late Stages of Enrollment**

Latin Beauty Academy for during the later stages of enrollment and after students have left school, implements default prevention and management activities that help reduce defaults and help ensure borrower and school success.

Latin Beauty Academy has created a committee to address challenges and outline plan for preventing default. The activities of plan are focused on promote student and school success by increasing retention and reducing delinquency and default. Our institution has defined the challenge and trusts in its leadership, making the president and other administration and staff (all departments within the institution) aware of the risk.

Latin Beauty Academy, as needed, will create a data expert in order to provide statistical facts to identify common attributes of defaulted borrowers. In addition, as need it, the institution will obtain a copy of the NSLDS Borrower Default Summary Report (SCHDF1). Cross reference the defaulters with our internal data and seek key information such as in-school attributes (examples: GPA, early withdrawals, major, scholarships, or grants). These data elements will allow our institution to focus on risk. For example, is the average GPA lower for defaulters compared to non-defaulters? We understand how important is to know our possible delinquent borrowers. Our institution will be checking the ED School Portfolio Summary Report:

<https://studentaid.ed.gov/sa/about/datacenter/student/portfolio>

Latin Beauty Academy will be recognizing our cohort population (i.e., the number of students who, if they default, will change the cohort). We are knowledgeable to use the Federal Student Aid Cohort Default Rate Guide, which is a detailed explanation on how the cohort default rates are calculated.

The Guide is available online at Federal Student Aid's Default Prevention Resource Information webpage. In addition, NSLDS Delinquent Borrower Report (DELQ01) provides the student's demographic data including address, phone numbers and email address, as well as loan data including date, type, total outstanding balance, and current monthly payment amount. NSLDS School Repayment Information Loan Record Detail Report (DRC016), which helps to identify the entire cohort population.

Our faculty, from the classroom, promotes in the students be responsible with his/her loan making on time payments, as well as our administration use the resources from the Department of Education, such as:

<https://studentloans.gov/myDirectLoan/index.action>

<http://www.ifap.ed.gov/DefaultManagement/DefaultManagement.html>

<http://ifap.ed.gov/DefaultPreventionResourceInfo/>

<https://ifap.ed.gov/ifap/byNSLDSType.jsp?type=NSLDS%20Record%20Layouts&set=archive>

## **Exit Counseling**

Regulations require that Latin Beauty Academy must provide exit counseling. Exit counseling is an effective way to prevent defaults and is often the last opportunity that borrowers have to work with someone at our school regarding his/her loans. Our institution has designed an in-depth



counseling that is focused on fully explaining repayment plans and choices that fit the borrowers' needs are essential. Exit counseling is the opportunity to clear up any misconceptions students may have about their loan obligations and re-emphasize the consequences of default. Our institution takes full advantage of this opportunity to work with our students.

### **Withdrawals**

Latin Beauty Academy is aware that many borrowers who default on their loans are borrowers who withdrew from school prior to completing their academic programs. Our institution identifies these borrowers, at the highest risk of default, while still on campus. Our institution understands that an early identification and timely intervention can improve student retention and reduce the number of defaulted loans. In addition to fulfilling the regulatory requirement to provide exit counseling to students, our school attempt to work with students even after they have left school by encouraging them to complete their programs of study and helping them resolve the issue(s) that prompted their withdrawal. In addition, our institution offers job placement services for a limited timeframe to students who have withdrawn. We provide valuable service for taking advantage of the borrower's return to campus to provide counseling. Our institute considers that an employed borrower, even one earning less than if he/she had completed school, is better able to make loan payments than an unemployed borrower.

### **Timely and Accurate Enrollment Reporting**

Timely and accurate enrollment reporting to the Secretary or the guarantor as appropriate is required by regulation and promotes school and student success. Our school activity ensures that borrowers receive their full grace period, and further ensures that contacts from the loan servicer such as correspondence and telephone calls occur in the appropriate timing and sequence. Our servicer's contacts are designed to increase the likelihood that borrowers will satisfy loan obligations. We understand that timely and accurate reporting of changes in enrollment status is required of all schools. Adhering to a monthly schedule of reporting changes in enrollment status help with data accuracy.

### **Issues After Students Leave School**

Our effective default prevention and management activities help borrowers during repayment. In addition, these activities help our school to correct data and improve prevention and management practices and initiatives.

### **NSLDS Date Entered Repayment (DER) Report**

The DER Report is available to schools upon request from NSLDS. As recommended by the Department of Education, Latin Beauty Academy bi-monthly compare its DER Report and makes any necessary corrections to their borrowers' status using NSLDS Enrollment Reporting. Latin Beauty Academy assumes that a borrower's DER is correct, as it is subject to change. Lenders can change a student's enrollment status based on data from the clearinghouse or a student's request. Likewise, Latin Beauty Academy update enrollment information based on information received from the student or another reliable source. Latin Beauty Academy understand that reviewing the DER Report will result in more accurate data, assuring that borrowers enter repayment in the correct cohort year and that schools receive accurate cohort default rates (CDRs).



## **Early Stage Delinquency Assistance (ESDA)**

ESDA begins at the time of separation or early in the grace period. ESDA is a highly focused effort by lenders, guarantors, and schools to assist particular borrowers to prepare for entry into loan repayment. Certain borrowers, such as those who have failed to complete their academic program or borrowers who share specific characteristics or academic or related experiences, may be more likely are details used by Latin Beauty Academy to encounter difficulties initiating and maintaining on-time loan repayment. Latin Beauty Academy has designed ESDA activities afford lenders, guarantors, and own school as an opportunity to provide focused, enhanced loan counseling, borrower education, and personal support during the grace period, and in so doing help decrease the chances of later loan default. In addition to ESDA, our institution utilizes default aversion assistance offered by guarantors and similar assistance from the Direct Loan Servicer for borrowers who are at least 60 days delinquent.

## **Late Stage Delinquency Assistance (LSDA)**

Though guarantors and the Direct Loan Servicer are extremely effective in working with borrowers throughout repayment, they lose touch with some borrowers. Latin Beauty Academy helps to re-establish communication during the late stages of delinquency, serving as a liaison between delinquent borrowers and staff experienced in borrower assistance. Our institution uses LSDA techniques enable to rescue severely delinquent borrowers, those who are more than 240 but less than 361 days delinquent, from default. Latin Beauty Academy recognize that LSDA can be successfully implemented with a minimal investment of time and staff. Our institution has implemented a call log sheet bi-weekly, which lets the most delinquent borrowers know that they have options, and that help is available.

## **Maintain Contact with Former Students**

Latin Beauty Academy implements and practices the above strategies to keep in contact with our former students after they have left campus. Our institution, from the first step of the process, tries to collect ample reference information including cell phone numbers, e-mail addresses, and numbers and names of a variety of family members such as grandparents and cousins to have the resources to maintain contact with former students. Latin Beauty Academy also employs this strategy to avert defaults with borrowers during every stage of repayment.

Our institution also works with lenders, guaranty agencies, and servicers to identify delinquent and hard to reach borrowers, or those who have not been contacted at all to assist them with their repayment options and obligations. Latin Beauty Academy understands that contacting borrowers is an essential activity upon which successful default prevention and management can be built and contact from the school may be the only effective technique to save a borrower from the negative consequences of default.

## **Loan Record Detail Report (LRDR) Data Review**

Latin Beauty Academy considers that although an aggressive and proactive approach to default prevention and management is responsibilities of our institution; it is also an important task do not end with prevention plans, initiatives, and strategies. Latin Beauty Academy together to borrowers, and the loan programs in general all benefit from a thorough examination of the draft and official CDR data to ensure that the rates are accurate and include the correct borrowers and loans. Upon

receiving their rates, Latin Beauty Academy examines the LRDR, the report containing all the data that comprises the CDR calculation; it is our responsibility to challenge incorrect data reflected in their draft CDR, or request an adjustment, or submit an appeal of inaccurate data as reflected in their official CDR.

### **Analyze Defaulted Loan Data to Identify Defaulter Characteristics**

Latin Beauty Academy understands that no matter how effective and far-reaching a default prevention and management plan is, some borrowers default. For this reason, our institution recognizes that a major part of any plan is to periodically review progress in preventing defaults. We consider one element of this review is a comprehensive analysis of defaulters. Latin Beauty Academy gathers information to discern who is defaulting and why and use this information to improve their default prevention and management practices and initiatives. In addition, we use internal data, which includes key information such as high school attended, other program of studies, demographics, grades, etc. Reviewing the LRDR also provides key data about borrowers that can assist in determining common characteristics among defaulters.

Latin Beauty Academy recognize that causes for defaults can include, but are not limited to, absent or incomplete internal procedures, practices, and communication, particular programs and course requirements or structure, and ineffective counseling. Frequent examination of defaulter characteristics coupled with an assessment of default prevention and management successes and shortcomings provide valuable information. Our institution promotes success by taking preventive measures to correct ineffective practices thereby preventing current and future borrowers from experiencing the same difficulties that plagued past defaulters. Our institution is consent that one solution to preventing future defaults lies in understanding what caused past defaults.

### **Enhanced Entrance and Exit Counseling**

Latin Beauty Academy is in compliance with the applicable requirements in 34 CFR 682.604, 34 CFR 685.304, 34 CFR 668.165 and 34 CFR 668 Subpart D, the Department recommends that entrance and exit counseling also include the following:

#### *Requests for Borrower Information*

- During entrance and exit counseling, obtain information from borrowers regarding references and family members beyond those requested on the loan application, and ask for cell phone numbers and email addresses for borrowers and for family members;
- During exit counseling, obtain updated information from borrowers including their addresses, cell phone numbers, email addresses, and addresses of their references and various family members.

### **Information about Repaying the Loan**

- Estimated balance of loan(s) when the borrower completes the program;
- Interest rate on the borrower's loan(s);
- Name, address and telephone number for the borrower's lender;
- During exit counseling, provide a sample loan repayment schedule based on the borrower's total loan indebtedness;

- Estimated monthly income that the borrower can reasonably expect to receive in his or her first year of employment based on the education received at your school;
- Estimated date of the borrower's first scheduled payment.

### **Reminders about Personal Financial Management and Title IV Loans**

- Latin Beauty Academy provides financial literacy resources to borrowers at enrollment, throughout attendance, and following graduation or withdrawal;
- Latin Beauty Academy assures that students borrow only what is needed and can cancel or return any funds in excess of what is needed;
- Latin Beauty Academy is making sure that student borrowers must inform their lenders immediately of any change of name, address, telephone number, or social security number;
- Latin Beauty Academy enforces that if a borrower is unable to make a scheduled payment, he or she contact the lender before the payment's due date to discuss a change in repayment plan or other repayment options;
- Latin Beauty Academy guarantees that general information will be provided about:
  - ✓ Repayment options; and
  - ✓ The sale of loans by lenders and the use by lenders of outside contractors to service loans.

### **Tools and Activities Implemented by Latin Beauty Academy**

Latin Beauty Academy ensures data accuracy and employ effective loan counseling and default prevention and management techniques to aid students through the following resources:

FSA Assessments for Default Prevention and Management

- <http://www.ifap.ed.gov/qamodule/DefaultManagement/DefaultManagement.html>

Loan Counseling Students and Counselors

- <http://www.studentaid.ed.gov>

The Student Guide and NSLDS for Students

- <http://www.studentaid.ed.gov>

How much will it cost?

- <http://nces.ed.gov/ipeds/cool/>
- <http://www.dlssonline.com/tools/search.asp> (for Direct Loan Borrowers)

How will student pay for the loan?

- [http://studentaid.ed.gov/students/publications/student\\_guide/index.html](http://studentaid.ed.gov/students/publications/student_guide/index.html)

Will student make enough money to repay his/her loans?

- <http://www.bls.gov/search/ooh.asp?ct=OOH>
- <http://data.bls.gov/PDQ/outside.jsp?survey=nc>

Repaying Student Loans

- [http://www.studentaid.ed.gov/students/publications/repaying\\_loans/index.html](http://www.studentaid.ed.gov/students/publications/repaying_loans/index.html)

Ombudsman Office

- <http://www.ombudsman.ed.gov>

#### Ensuring Student Loan Repayment Best Practices for Schools

- <http://www.ifap.ed.gov/eannouncements/0119stuhbkbestpractice.html>

#### SFA Assessments for Schools

- <http://www.ifap.ed.gov/IFAPWebApp/qualityassurance/SFAAssessment.jsp>

#### Mapping Your Future

- <http://www.mapping-your-future.org>

#### Jump Start Coalition for Personal Financial Literacy

- <http://www.jumpstart.org>

#### Enrollment Reporting and Data Accuracy NSLDS Enrollment Reporting Guide, formerly SSCR User's Guide

- <http://www.ifap.ed.gov/nsldsmaterials/010904NSLDSEnrollRepGuide.html>

#### NSLDS Date Entered Repayment Report, School Repayment Information Loan Detail Report, and Enrollment Reporting Summary Report

- <https://www.nslsdfap.ed.gov>

#### NSLDS Reports, requesting and formatting questions

- <https://www.nslsdfap.ed.gov> Reports Tab

#### NSLDS User ID

- CPS/WAN Technical Support 1-800-330-5947
- NSLDS Customer Support 1-800-999-8219

#### Cohort Default Rate Guide for information on challenges, adjustments, and appeals

- <http://ifap.ed.gov/DefaultManagement/DefaultManagement.html>

#### Default Prevention FSA Assessments

- <http://www.ifap.ed.gov/qamodule/DefaultManagement/DefaultManagement.html>

#### Ensuring Student Loan Repayment Best Practices

- <http://www.ifap.ed.gov/eannouncements/0119stuhbkbestpractice.html>

#### NSLDS Reports and Exit Counseling

- <https://www.nslsdfap.ed.gov>

#### NSLDS Reports, requesting and formatting questions

- <https://www.nslsdfap.ed.gov> Reports Tab

#### NSLDS User ID

- CPS/WAN Technical Support 1-800-330-5947
- NSLDS Customer Support 1-800-999-8219

#### Late Stage Delinquency Assistance (LSDA) Guide:

- For Direct Loan Schools, Direct Loan Servicing/Schools website, accessed via COD website <http://www.cod.ed.gov>

For FFEL Schools, Default Prevention Strategies

- <http://www.ifap.ed.gov/qamodule/DefaultManagement/DefaultManagement.html>
- or contact your guaranty agency

General Connections/Publications Information for Financial Aid Professionals (IFAP) Library with publications, training, tools, references, laws, etc.

- <http://www.ifap.ed.gov>

The Office of Federal Student Aid

- <http://www.ed.gov/about/offices/list/fsa/index.html>

The Student Guide

- <http://www.studentaid.ed.gov>

NSLDS

- <https://www.nslsdfap.ed.gov> or <https://www.nslsdfap.ed.gov/secure/logon.asp>

ED Pubs, the Department of Education Online Publication Ordering System, helps students identify and order free publications from the Department. Examples of resources available at ED Pubs include the following:

- Repaying Your Student Loans (in English and Spanish)
- The Student Guide
- Getting Ready to Pay for College
- Counselors and Mentors Handbook

[www.edpubs.org](http://www.edpubs.org)

1-877-4ED-Pubs or [edpubs@inet.ed.gov](mailto:edpubs@inet.ed.gov)

U.S. Department of Education Default Prevention and Management Team

### **Default Prevention and Management Activities**

For our institution educate our students when requested loans is one of the most important activities within the plan. Our first question is: ***WHAT EVERY STUDENT/PARENT BORROWER NEEDS TO KNOW?***

Student and parent must know the weigh the need for loans, only what is actually needed, and the repayment obligations. The loans must be repaid even if student did not complete his/her program. Borrowing in excess of what is actually needed means the student/parent must repay more at a later date. The monthly payments will be higher and it may be paying over a longer period of time due to the interest that accrues on the loans.

### **Track and Manage the Student Loans**

Latin Beauty Academy ensures that our borrower students know how to keep track of their student loans or to contact their loan servicer for repayment, log onto to the National Student Loan Data System (NSLDS) at [www.nsls.ed.gov](http://www.nsls.ed.gov) or call the Federal Student Aid Information Center at 1-

800-4-FED-AID (1-800-433-3243; TTY 1-800-730-8913). We remember to our students that the PIN number that they used as their electronic signature for the FAFSA can also be used to gain access to NSLDS.

Latin Beauty Academy informs to borrower students that on this website: [www.nsls.ed.gov](http://www.nsls.ed.gov) they will not only show students all of the federal and private loans student borrowed, but also who the servicer is for their loan(s). The servicer is the entity student will be corresponding with to coordinate repayment. In addition, we advise that to see a list of Federal Student Aid servicers for the Direct Loan Program and for FFEL Program Loans purchased by the U.S. Department of Education, go to the Loan Servicer page.

## **Borrower Students Advisements**

### **How Do I consolidate My Loans?**

If you are expecting to borrow a Federal Stafford or Federal PLUS Loan for this coming year and also have a Federal Family Educational Loan, Stafford or PLUS Loans from prior years, you will have at least two lenders to repay when you graduate: your selected private lender and the federal government. The Direct Lending Consolidation program offers a way for you to combine both loans into one consolidation loan with one point of repayment. This loan consolidation program will be available to you once you graduate and begin thinking about repayment.

Latin Beauty Academy clarifies that there are advantages and disadvantages to loan consolidation and we recommend that you research this option carefully before proceeding. If you have questions about whether or not consolidation is right for you, please contact the Direct Loan Consolidation Loan Information Center at [www.loanconsolidation.ed.gov](http://www.loanconsolidation.ed.gov).

### **Who is eligible for loan consolidation?**

To qualify for a Direct Consolidation Loan, borrowers must have at least one Direct Loan or Federal Family Education Loan (FFEL) that is in grace, repayment, deferment or default status. Loans that are in an in-school status cannot be included in a Direct Consolidation Loan.

### **What is PUT program?**

Since 2008 Stafford lenders have sold some of their loans to the Department of Education in an attempt to build liquidity in the market and provide more loans to students. This is called the Loan Purchase Commitment (PUT) Program.

As a result, continuing students may have already received communication from the Department of Education explaining the purchase. These loans are not considered Direct Loans but continue to be part of the Federal Family Education Loan Program (FFELP).

It is important to note that loans borrowed in the future may not have the servicer as loans you have borrowed already. This means that when you begin to make payments on your loans after graduation you may be making multiple payments to multiple entities.

## **How Do I Repay My Student Loans?**

Your loan servicer will provide information about repayment and will notify you of the date your loan repayment begins. It is very important that you make your full loan payment on time either monthly (which is usually when you'll pay) or according to your repayment schedule.

If you don't, you could end up in default, which has serious consequences. Student loans are real loans—just as real as car loans or mortgages. You have to pay back your student loans.

Can you repay your loans while in school? Yes! Contact your loan servicer through [www.nslds.ed.gov](http://www.nslds.ed.gov).

## **When Should I begin Repaying my Loans?**

After borrowers graduate, leave school, or drop below half-time enrollment, loans that were made for that period of study have several months before payments are due. This is called the “grace period”. Grace periods extends to 6 months after borrowers leave school or ceases to be enrolled in at least half time enrollment for 6 months. Grace periods can also extend up to 12 months; however, you must contact your loan servicer directly. During the grace period, no interest accrues on subsidized loans. Interest accrues on unsubsidized loans during grace periods, and this interest is capitalized when borrowers enter repayment. Borrower repayment period begins the day after their loan grace period ends. First payment will be due within 60 days after the repayment period begin.

Each loan has only one grace period. If borrowers return to school after the grace period has expired, the borrower qualifies for deferment while borrowers are enrolled but return to repayment after borrower leave school. There is no additional grace period. You are able to make payments on your student loan while you are still enrolled. If you have unsubsidized loans, you are able to make payments on your interest that is accruing.

## **What Repayment Plans Are Available to Me?**

When it comes time to start repaying your student loan(s), you can select a repayment plan that's right for your financial situation. Generally, you'll have from 10 to 25 years to repay your loan, depending on which repayment plan you choose.

### **Standard Repayment**

With the standard plan, you'll pay a fixed amount each month until your loans are paid in full. Your monthly payments will be at least \$50, and you'll have up to 10 years to repay your loans. Your monthly payment under the standard plan may be higher than it would be under the other plans because your loans will be repaid in the shortest time. For that reason, having a 10-year limit on repayment, you may pay the least interest. To calculate your estimated loan payments, go to the Standard Repayment plan calculator.

### **Extended Repayment**

Under the extended plan, you'll pay a fixed annual or graduated repayment amount over a period not to exceed 25 years. If you're a FFEL borrower, you must have more than \$30,000 in



outstanding FFEL Program loans. If you're a Direct Loan borrower, you must have more than \$30,000 in outstanding Direct Loans.

This means, for example, that if you have \$35,000 in outstanding FFEL Program loans and \$10,000 in outstanding Direct Loans, you can choose the extended repayment plan for your FFEL Program loans, but not for your Direct Loans. Your fixed monthly payment is lower than it would be under the Standard Plan, but you'll ultimately pay more for your loan because of the interest that accumulates during the longer repayment period.

This is a good plan if you will need to make smaller monthly payments. Because the repayment period will be 25 years, your monthly payments will be less than with the standard plan. However, you may pay more in interest because you're taking longer to repay the loans. Remember that the longer your loans are in repayment; the more interest you will pay. To calculate your estimated loan payments, go to the Extended Repayment plan calculator.

### **Graduated Repayment**

With this plan, your payments start out low and increase every two years. The length of your repayment period will be up to ten years. If you expect your income to increase steadily over time, this plan may be right for you.

Your monthly payment will never be less than the amount of interest that accrues between payments. Although your monthly payment will gradually increase, no single payment under this plan will be more than three times greater than any other payment. To calculate your estimated loan payments, go to the Graduated Repayment plan calculator.

### **Income Based Repayment (IBR) – Effective July 1, 2009**

Income Based Repayment is a new repayment plan for the major types of federal loans made to students. Under IBR, the required monthly payment is capped at an amount that is intended to be affordable based on income and family size. You are eligible for IBR if the monthly repayment amount under IBR will be less than the monthly amount calculated under a 10-year standard repayment plan. If you repay under the IBR plan for 25 years and meet other requirements, you may have any remaining balance of your loan(s) cancelled. Additionally, if you work in public service and have reduced loan payments through IBR, the remaining balance after ten years in a public service job could be cancelled. For more important information about IBR go to IBR Plan Information.

### **What is Loan Default?**

Loan default is failure to repay a loan according to terms of the Master Promissory Note. There can be serious legal consequences for student loan defaulters.

There are different options to prevent falling into default status.

The following are some options:

**Deferment**: A postponement of payment on a loan that is allowed under certain conditions and during which interest does not accrue for subsidized loans. This request can be made if you are

returning to school and are enrolled in at least half-time status. For Deferment options, click here. Please contact your loan servicer for more information.

**Forbearance:** A period during which your monthly loan payments are temporarily suspended or reduced. You may qualify for forbearance if you are willing but not able to make loan payments due to certain types of financial hardships. A complete list of Direct Loan forbearances and their eligibility criteria can be reviewed at [www.dlservicer.ed.gov](http://www.dlservicer.ed.gov).

**Repayment Plan:** Changing repayment plans is a good way to manage your loan debt when your financial circumstances change. For example, you can usually lower your monthly payment by changing to another repayment plan with a longer term to repay the loan. There are no penalties for changing repayment plans.

### **What if I Default on My Loan?**

If you default, it means you failed to make payments on your student loan according to the terms of your promissory note, the binding legal document you signed at the time you took out your loan. In other words, you failed to make your loan payments as scheduled. Our school, the financial institution that made or owns your loan, your loan guarantor, and the federal government all can take action to recover the money you owe.

### **Consequences of Default**

National credit bureaus can be notified of your default, which will harm your credit rating, making it hard to buy a car or a house. You will be ineligible for additional federal student aid if you decide to return to school. Loan payments can be deducted from your paycheck. State and federal income tax refunds can be withheld and applied toward the amount you owe. You will have to pay late fees and collection costs on top of what you already owe you can be sued.

### **How Do I get Help with My Loan Problems?**

If you are having a problem with your federal student loan, contact the FSA Ombudsman at the US Department of Education. The FSA Ombudsman is dedicated to helping students resolve disputes and other problems with federal student loans.

The FSA Ombudsman will research your problem in an impartial and objective manner and will try to develop a fair solution. The FSA Ombudsman does not have the authority to impose a solution. Nevertheless, many students have found the FSA Ombudsman to be helpful in resolving disputes with lenders.

You can contact the FSA Ombudsman by phone at 1-877-557-2575, by fax at 1-202-275-0549, by mail at U.S. Department of Education, FSA Ombudsman, 830 First Street, NE, Fourth Floor, Washington, DC 20202-5144, by visiting [fsahelp.ed.gov](http://fsahelp.ed.gov) or by e-mail at [fsaombudsmanoffice@ed.gov](mailto:fsaombudsmanoffice@ed.gov).

For more information and to learn what actions to take if you default on your loans see the Department of Education's Default Resolution Group Web site.

Latin Beauty Academy is committed to helping you be successful while in school and after you have graduated or while taking time off of school. We understand finding a job or maintaining employment in our given economy can be difficult as well as managing your student loans.

There are also numerous articles which address this very concern such as on ConsumerReports.org, “Managing student loans in a shaky economy.”

**Important:** Remember, you are responsible to repay your student loans as agreed on your signed Master Promissory Note(s). Please keep your contact information up to date with your loan servicer to ensure you receive important correspondence. When in doubt, contact your loan servicer. Staying in touch with your loan servicer will maintain a good relationship and decrease the chances of loan default.

### **What If I need Legal Help?**

If you are seeking legal representation, please read more information on “Civil Legal Assistance Attorney Student Loan Repayment Program Questions and Answers

### **Important tips for the Success of our Default Prevention**

#### **Before Repayment**

Latin Beauty Academy educate borrowers on responsible borrowing and money management. Free tools, such as YouCanDealWithIt.com, will help in educating borrowers. Instruct borrowers to set up an online account with their servicer while they are still on campus (at first disbursement or entrance/exit counseling). Our institution encourages reasonable interest/principal payments while borrowers are our school and in grace to establish a payment history and relationship with their servicer. We send borrowers customized repayment plan information at exit counseling based on their outstanding balance.

#### **During Repayment**

**Important:** We report borrower enrollment through the National Student Loan Data System (NSLDS) through a direct link between loan default and untimely or inaccurate enrollment reporting. We offer job placement assistance to all borrowers to help ensure that they are able to make loan payments, as well as to our withdrawn borrowers. We review "at risk" groups for our institution. Our institution uses historical data to determine which borrowers at our school are at the highest risk of default (i.e., withdrawals, borrowers taking a particular course of study, previously delinquent borrowers). We monitor these borrowers more carefully and contact these borrowers more frequently. Latin Beauty Academy integrates this with staff at our institution focused on retention.

#### **We know that...**

Most of the delinquent borrowers... we speak with become current within 30 days of the call. Encouraging our borrower students at exit counseling to stay in touch with their servicer and keep their contact information up-to-date is crucial to successful repayment.

## **After Default**

With our draft Cohort Default Rate, we take the opportunity to identify and correct any inaccuracies by submitting an incorrect data challenge, focus specifically on the date the borrower entered repayment. We submit appeals within 45 days of receiving our draft rate.

We work with our borrower students to develop long-term solutions, including change in payment due date, change in repayment plan, and establishment of Direct Debit. If those options don't work, advise the borrower regarding deferment and forbearance. Borrower students in this stage can often avoid long-term consequences of delinquency, such as poor credit scores, so use this as an incentive to get them to act!

### **We Use:**

*Mid-Stage Delinquency Communications:* Day 150-180. We are focused on long-term solutions, such as lowering their monthly payment by changing their repayment plan. This involve an interim solution, including deferment/forbearance, which can be used while they are evaluating the various repayment options.

*Late-Stage Delinquency Communications:* Day 290-320. We are focused on immediate solutions, including deferment/forbearance options. OR/ Monthly communicating with delinquent borrowers via phone, email, or letter each month. We send emails to borrowers in early-stage delinquency (31–120 days), send letters to borrowers in mid-stage delinquency (121–240 days), and make phone calls to borrowers in late-stage delinquency (241–360 days).

### **We know that...**

We are able to resolve most delinquencies between days 31 and 60, using NSLDS for communicating with delinquent borrowers. The Delinquency Report provided by the National Student Loan Data System (NSLDS) can be a helpful aid in the default prevention process:

#### ***Emails/Letters***

Latin Beauty Academy uses the NSLDS Delinquency Report and our mail merge process to send customized emails or letters to individual delinquent borrowers or send generic email messages to a bulk listing.

#### ***Phone***

Latin Beauty Academy uses the NSLDS Delinquency Report to create a call listing of delinquent borrowers. Use our call scripts, available in the Delinquent Borrower Counseling Guide (PDF), to counsel borrowers or conference in the appropriate servicer to implement immediate solutions.

## **Transfer Students**

Latin Beauty Academy follow procedures established from the DE where student financial aid does not directly transfer between schools. LBA recalculates the student's eligibility from the beginning based on the information on the student's FAFSA and the school's financial aid application form. If the student is transferring in the middle of the academic year, the amount of federal student aid for which he or she is eligible will be reduced by the amount of federal student

aid the student received and “earned” at the previous school. There are also costs of attendance caps on the amount of federal student aid that can be received.

LBA has established that if a student transfers clock hours into a new program at Latin Beauty Academy, the institution may originate a loan for the remaining portion of the program or academic year if:

- clock hours are accepted from a transfer
- the period of enrollment for the loan at the previous institution overlaps the period of enrollment at LBA.

The loan originated at LBA will not exceed the remaining balance of the student loan limit required for the program in which the student is enrolled at LBA after the disbursement at prior school has been factored. In addition, the loan period established at LBA must cover the remaining hours and time-frame of the overlapping prior loan period. Instead, a loan must be originated for an academic year, or the remaining balance of a program if less than an academic year will be created should Latin Beauty Academy not accept any clock hour on transfer. The applicable annual loan limit is the difference between the amount disbursed at the prior school and the annual loan limit applicable at LBA.

**Important:** *A student who transfers from one program to another within Latin Beauty Academy is believed to remain in the same payment period if all of the following conditions apply:*

- *the student is continuously enrolled at LBA;*
- *the coursework in the payment period the student is transferring out of is substantially similar to the coursework the student will be taking in the program into which he/she is transferring;*
- *the payment periods are substantially equal in length in weeks of instruction and clock hours;*
- *there is little or no change in school charges associated with the payment period; and,*
- *the credits from the payment period the student is transferring out of are accepted for credit in the new program.*

### **Re-entry after 180 Days**

A student who has been terminated or withdrawn may re-enter Latin Beauty Academy in the same status as when the student was withdrawn. At that time, the student’s academic records will be evaluated in order to determine if it possible for a cumulative grade point to be achieved and for the program to be completed within the maximum time frame of 150%. Returning students will be charged a \$60.00 Re-entry fee. After being readmitted to Latin Beauty Academy, any student not earning a 2.0 and completing 67% of the clock hours attempted each month thereafter will be academically dismissed from the institution.

**Important:** *A new payment period is calculated for credit hour non-term program for:*

- *A student who withdraws and then re-enters the same program after 180 days; or*
- *A student who withdraws from a program and enrolls in a new program at LBA.*

*When the remaining weeks constitute half of an academic year or less, the remaining clock hours and weeks are considered one payment period.*

## Potential Over-Award Project (POP)

The DE has defined the Potential Over-Award Project (POP) as a process within the Common Origination and Disbursement (COD) system that tracks a federal Pell Grant recipient's disbursements in order to determine an over-award. Each time a school reports a disbursement, the system checks to see that the disbursement will not exceed the recipient's award.

LBA has based its policies regarding over-awards on the DE's procedures regarding Potential Over-award Project for federal Pell Grants applicants. Through the COD system, which is programmed to calculate the percentage of SPG, LBA can know how many funds are used each time the Financial Aid Department reports a recipient's award. When LBA reports awards in excess of 100%, an over-award exists and the Financial Aid Department is notified by COD to resolve the situation within 30 days. If after 30 days the matter is unresolved, all awards for that period are disallowed.

## Cancellation and Refund Policy

Latin Beauty Academy, Inc. publishes a refund policy that conforms to state and accrediting agency requirements, and it applies to all students. Should a student's enrollment be terminated or cancelled for any reason, all refunds will be made according to the following refund schedule:

1. Cancellation must be made in person, by electronic mail, by Certified Mail, or by termination.
2. All monies will be refunded if the school does not accept the applicant, or if the student cancels within three (3) business days after signing the enrollment agreement and making initial payment.
3. Cancellation after three (3) business days, but before the first class, will result in a refund of all monies paid, with the exception of the enrollment fee (not to exceed \$150.00)
4. Cancellation after attendance has begun, but prior to 50% completion of the program, will result in a prorated refund computed on the number of hours completed to the total program hours.

<b>Percentage of Program schedule hours</b>	<b>Percentage amount of tuition owed to school</b>
0.01% to 4.9%	20%
5% to 9.9%	30%
10 % to 14.9%	40%
15% to 24.9%	45%
25% to 49.9%	70%
50% and over	100%

5. Cancellation after completion of 50% of the program will result in no refund.
6. Termination Date: When calculating the refund due to a student, the last date of actual attendance by the student is used in the calculation, unless earlier written notice is received.
7. Refunds will be made within 30 days of termination of the student's enrollment or receipt of a Cancellation Notice from the student.
8. The student must pay any outstanding balance before any of the student's records will be released.
9. Collection Policy: All past due accounts will be referred to a collection agency.
10. Latin Beauty Academy, Inc. will review corresponding credits and/or hours for any student who wishes to transfer credits from another institution. There must be a signed letter from



the director and/or head of admissions from the other institution indicating the student's accumulated credits and/or clock hours, along with a transcript. After reviewing the documentation, Latin Beauty Academy, Inc. will grant credit for prior training that was taken within one year. Proof of prior training must be shown. The director of the school must evaluate the student before allowing entry. A \$150 registration fee is payable in advance of the testing. The cost of the clock hours needed to complete the program will be pro-rated depending on the program.

### **Return of Title IV Funds**

It is mandatory that Latin Beauty Academy provides students with details of all refund policies applicable to the school, as well as information on the Title IV Program requirements for the treatment of Title IV funds when a student withdraws.

Latin Beauty Academy recognizes that the Federal Student Aid (Title IV) funds are processed when a recipient of those funds ceases to be enrolled prior to the end of a payment period or period of enrollment. These requirements do not apply to a student who does not actually cease attendance at the school. The Return of Title IV Funds (Return) regulations do not dictate an institutional refund policy. Instead, a school is required to determine the earned and unearned Title IV aid a student has earned as of the date the student ceased attendance based on the amount of time the student spent in attendance, or, in the case of a clock-hour program, was scheduled to be in attendance. The calculation of Title IV funds earned by the student has no relationship to the student's incurred institutional charges.

LBA's Financial Aid Department is knowledgeable that by law:

1. When a student who receives financial aid withdraws before the end of the payment period of enrollment and ceases to continue enrollment in the program, a calculation may be required to determine if the student retains in full, or returns all or a portion of, Title IV funds received.
2. The Return of Title IV funds (Return) regulations do not dictate LBA's return policy.
3. LBA is required to determine earned and unearned portions of Title IV aid as of the date a student ceased attendance.
4. The Financial Aid Department makes the calculation of Title IV funds earned by a student has no bearing on a student's incurred tuition charges. For student withdrawal up through the 60% point in each payment period of enrollment, a proration is done to determine the amount of funds a student has earned up to the point of withdrawal.

**Important:** *However, withdrawal after the 60% point in the payment period of enrollment, a student has earned 100% of financial aid funds received during the period. A determination must still be made as to whether a student is eligible for a post-withdrawal disbursement. Return to Title IV aid calculations can be done by utilizing the Department of Education's web product at <http://www.faaaccess.ed.gov>*

### **Rules to Return Calculation**

1. Return any unearned Title IV funds within 45 days of the date the school determined a student withdrew.
2. Offer any post-withdrawal disbursement of loan funds within 30 days of that date.
3. Disburse any Title IV grant funds a student is due as part of the post-withdrawal disbursement within 45 days of the date the school determined a student withdrew.



4. Disburse any loan funds a student accepts within 180 days of that date.

### **Order of Funds Being Returned**

When a withdrawing student has received financial aid, funds are subject to federal regulations and the return of Title IV funds guidelines by the U.S. Department of Education. Excess funds returned to the Title IV program by the school on a student's behalf are credited in the following order:

1. Unsubsidized Stafford Loan/Direct Stafford Loan
2. Subsidized Stafford Loan/Direct Stafford Loan
3. Direct Plus Loan
4. Pell Grant
5. Supplemental Educational Opportunity Grant (SEOG)

### **Annual Campus Security Report**

*Clery/Campus Security Act* is the law that requires institutions to compile statistics for certain crimes that are reported to campus security authorities or local police agencies, including incidents of sexual assault, domestic violence, dating violence, and stalking. The full title is the Jeanne Clery

Disclosure of Campus Security Policy and Campus Crime Statistics Act.

Latin Beauty Academy has policies that encourage complete, timely reporting of all crimes to the campus police and appropriate law enforcement agencies. As Latin Beauty Academy has not a campus police or security department, we do not keep a written daily crime log. However, our institution reports the statistics for Annual Crime Report, which consist of three calendar years to all current enrolled students and employees, as well as to prospective students who can request a copy of the report. In addition, it is submitted to the Department annually on October 1 for complete calendar year. Annual Campus Security Report is based on the tabulated statistics for the crimes, which describes in the margin note and for fire safety. The report must include statistics on the number and causes of fires, as well as fire-related injuries, death, and property damage for each on-campus student housing facility during the three most recent calendar years for which data are available. The fire safety statistics are due at the same time as the crime statistics.

In addition, Annual Campus Security Report Crimes to be reported to campus community 34 CFR 688.46(c)(1) (i) Criminal homicide: (A) Murder and nonnegligent manslaughter. (B) Negligent manslaughter. (ii) Sex offenses: (A) Forcible sex offenses. (B) Nonforcible sex offenses. (iii) Robbery. (iv) Aggravated assault. (v) Burglary. (vi) Motor vehicle theft. (vii) Arson. (viii) (A) Arrests for liquor law violations, drug law violations, and illegal weapons possession. (B) Persons not included in paragraph (c)(1)(viii)(A) of this section, who were referred for campus disciplinary action for liquor law violations, drug law violations, and illegal weapons possession.

### **Timely Warning and Emergency Notification**

Latin Beauty Academy helps in the prevention of crimes and reports to the campus community on crimes that are:

- Included in campus crime statistics, such as arson, robbery, burglary, motor vehicle theft, aggravated assault, criminal homicides, and sex offenses (see a full listing in the sidebar on page 117), or
- Report to local police agencies or to campus security authorities (as identified under the school's statement of current campus policies), and

- Represents a threat to students and employees, following our emergency notification procedures. Our institution provides adequate follow-up information to the community as needed.

### **Drug and Alcohol Abuse Prevention**

Latin Beauty Academy provides to its students, faculty, and employees information to prevent drug and alcohol abuse, and it also have a drug and alcohol prevention program. In addition, our institution as a school that participates in the Campus-Based Programs must have a drug-free awareness program for its employees that includes a notice to them of unlawful activities and the actions our institution will take against an employee who violates these prohibitions. Latin Beauty Academy also provides information about drug prevention materials for students and employees.

The following aspects included are in its materials:

- Information on preventing drug and alcohol abuse;
- Standards of conduct that clearly prohibit, at a minimum, the unlawful possession, use, or distribution of drugs and alcohol by students and employees on the school's property or as part of the school's activities; a description of the sanctions under local, state, and federal law for unlawful possession, use, or distribution of illicit drugs and alcohol;
- A description of any drug and alcohol counseling, treatment, or rehabilitation programs available to students and employees;
- A description of the health risks associated with the use of illicit drugs and alcohol; and
- A clear statement that the school will impose sanctions on students and employees for violations of the standards of conduct (consistent with local, state, and federal law) and a description of these sanctions, up to and including expulsion, termination of employment, and referral for prosecution.

### **Distribution of Materials to all Students and Employees**

Latin Beauty Academy includes the above information in publications such as catalog and/or employee handbooks, provided that these publications are distributed to each student and employee. Our institution uses effective method to distribute this information, which is mostly person by person. Latin Beauty Academy distributes these materials annually; if new students enroll or new employees are hired after the initial distribution for the year, the administration makes sure that they also receive the materials.

### **Drug & Alcohol Abuse Prevention Program**

Latin Beauty Academy certifies that on the date it signs the Program Participation Agreement it has a drug and alcohol abuse prevention program in operation that is accessible to any officer, employee, or student at the school. The program adopted by our institution includes an annual distribution to all students, faculty, and staff of information concerning drug and alcohol abuse and the school's prevention program. Our institution reviews our program once every two years to determine its effectiveness and to ensure that its sanctions are being enforced. As a part of this biennial review, our school determines:

- The number of drug and alcohol-related violations and fatalities that occur on a school's campus or as part of any of the school's activities and that are reported to campus officials;

- The number and type of sanctions that are imposed by the school as a result of drug and alcohol-related violations and fatalities on the campus or as part of any of the school's activities. Latin Beauty Academy makes available upon request the results of the review as well as the data and methods supporting its conclusions. Our institution certifies that it has a prevention program to carry out prevention activities.

### **Drug-Free Workplace Requirements for Campus-Based Schools**

Latin Beauty Academy as a school that participates in the Campus-Based Programs must take the following steps to provide a drug-free workplace:

- Establishing a drug-free awareness program to provide information to employees and students;
- Distributing a notice to its employees and students of prohibited unlawful activities and the school's planned actions against an employee and student who violates these prohibitions;
- Notifying the Department and taking appropriate action when it learns of an employee's conviction under any criminal drug statute. LBA's administrative cost allowance may be used to help defray related expenses, such as the cost of printing informational materials given to employees.
- The drug-free workplace requirements apply to all offices and departments of a school that receives Campus-Based funds. Organizations that contract with the school are considered sub-grantees not subject to the requirements of the Drug-Free Workplace Act.

### **FERPA & Crime Records**

Latin Beauty Academy recognize that there are two different FERPA provisions concerning the release of records relating to a violent crime:

- One: Concerns the release to the victim of any outcome involving an alleged crime of violence [34 CFR 99.31(a) (13)].
- Second: A separate provision permits a school to disclose to anyone the final results of any disciplinary hearing against an alleged perpetrator of a crime of violence where that student was found in violation of the school's policy on the offense [34 CFR 99.31(a) (14)].

### **Drug and Alcohol Abuse Prevention Program**

Latin Beauty Academy is committed to providing a safe and healthy learning environment for all our faculty, staff, and students. Our institution recognizes that the improper use of alcohol and drugs will interfere with the school's mission and vision by negatively affecting the health and safety of our faculty, staff, and students. It is due to the harm caused by excessive and illegal use of alcohol and drugs.

Our institution has a vested interest in enforcing rules to prohibit the unlawful use, possession, and distribution of these and the penalties that address violations as indicated in the Department of Education and described in the NACCAS and CIE policies for students and employees. All faculty, staff, and students also are governed by federal, state, and local laws and policy, and will be held accountable for any illegal use or possession of alcohol and drugs. It is the responsibility of all faculty, staff, and students to be aware of these laws.

Employees, students, and campus visitors may not unlawfully manufacture, consume, possess, sell, distribute, transfer or be under the influence of alcohol, drugs, or other controlled substances on school property, while driving a school vehicle or while otherwise engaged in any school activity or business. Any person taking prescription drugs or over-the-counter medication is personally responsible for ensuring that while taking such drugs or medications, he or she is not a safety risk to themselves and others while on school property, while driving a school or privately owned vehicle on campus, or while otherwise engaged in any school related activity. It is illegal to misuse prescription medication, thru the continued use of the medication when the prescription is no longer valid, using prescribed drugs contrary to the prescription, and giving or selling prescribed drugs to another person.

### **Alcohol and Drug Prevention Strategies / Support**

Latin Beauty Academy uses the dissemination of information as well as both group and individual counseling in order to discourage and bring awareness to the harmful consequences of alcohol abuse and drug use. Our administration, staff, and faculty offer general guidance and referrals to alcohol/drug abuse community agencies to our faculty, staff, and students with alcohol or other drug-related problems in order to seek rehabilitation and treatment.

#### ***These include:***

- Providing individual and group education, prevention, and awareness activities.
- Providing individual counseling sessions.
- Providing group peer counseling sessions.
- Creating a health-promoting environment throughout the school.
- Enforcing policies and local, state, and federal laws to address the dangers of alcohol and drug use.
- Providing early intervention and referral to community agencies for rehabilitation and treatment.

### **Health Risks**

The abuse of alcohol and use of drugs increases the risk for a number of health-related and other medical, behavioral and social problems. Below is a general description of the health risks associated with alcohol and drug use.

#### **Alcohol Short Term Health Effects**

- Loss of concentration and judgment;
- Slowed reflexes;
- Disorientation leading to higher risk of accidents and problem behavior;

#### **Alcohol Long Term Health Effects**

- Risk of liver and heart damage,
- Malnutrition,
- Cancer and other illnesses;
- Highly addictive.

### **Amphetamines Short Term Health Effects**

- Rushed,
- Careless behavior,
- Pushing beyond the physical capacity,
- Leading to exhaustion;
- Tolerance increases rapidly.
- Long Term Effects
- Physical and psychological dependence;
- Withdrawal can result in depression and suicide;
- Continued high doses can cause heart problems, infections, malnutrition and death.

### **Cannabis Short Term Health Effects**

- Slow reflexes;
- Increase in forgetfulness;
- Alters judgment of space and distance;
- Aggravate pre-existing heart
- Mental health problems.

### **Cannabis Long Term Health Effects**

- Permanent damage to lungs, reproductive organs and brain function;
- Interfere with physical, psychological, social development of young users.

### **Cocaine (crack) Short Terms Health Effects**

- Impaired judgment;
- increased breathing;
- Increase Heart rate, Heart palpitations;
- Anxiety;
- Restlessness;
- Hostility;
- Paranoia and confusion.
- COCAINE (crack) Long Terms Health Effects
- Damage to respiratory and immune systems;
- Malnutrition;
- Seizures and loss of brain function;
- Highly addictive.

### **Designer Drugs/Synthetic Cannabinoids (bath salts, K2, spice) Short Term Health Effects**

- Elevated heart rate, blood pressure and chest pain;
- Hallucinations, seizures, violent behavior and paranoia;
- Lead to lack of appetite, vomiting and tremor;

### **Designer Drugs/Synthetic Cannabinoids (bath salts, K2, spice) Long Term Health Effects**

- Kidney/liver failure,
- Increased risk of suicide and death.

### **Hallucinogens (PCP, LSD, ecstasy, dextromethorphan) Short Term Health Effects**

- Extreme distortions of what's seen and heard;
- Induces sudden changes in behavior, loss of concentration and memory;
- Increases risk of birth defects in user's children;
- Overdose can cause psychosis, convulsions, coma and death.

### **Hallucinogens (PCP, LSD, ecstasy, dextromethorphan) Long Term Health Effects**

- Cause permanent loss of mental function.

### **Inhalants (nitrous oxide, amyl nitrite, butyl nitrite, chlorohydrocarbons, and hydrocarbons) Short Term Health Effects**

- Nausea, dizziness, fatigue, slurred speech, hallucinations or delusions;
- Lead to rapid and irregular heart rhythms, heart failure and death.

### **Inhalants (nitrous oxide, amyl nitrite, butyl nitrite, chlorohydrocarbons, and hydrocarbons) Long Term Health Effects**

- Loss of feeling, hearing and vision; can result in permanent damage to the brain, heart, lungs, liver and kidneys.

### **Opiates/Narcotics (heroin, morphine, opium, codeine, oxycodone, china white) Short Term Health Effects**

- Physical and psychological dependence;
- Overdose can cause coma, convulsions, respiratory arrest and death.

### **Opiates/Narcotics (heroin, morphine, opium, codeine, oxycodone, china white) Long Term Health Effects**

- Leads to malnutrition, infection and hepatitis; sharing needles is a leading cause of the spread of HIV and hepatitis;
- Highly addictive, tolerance increases rapidly.

### **Sedatives Short Term Health Effects**

- Reduced reaction time and confusion;
- Overdose can cause coma, respiratory arrest, convulsions and death;
- Withdrawal can be dangerous;
- In combination with other controlled substances can quickly cause coma and death;
- **Sedatives Short Term Health Effects**

### **Sedatives Long Term Health Effects**

- Produce physical and psychological dependence;
- Tolerance can increase rapidly.

### **Tobacco (cigarettes, cigars, chewing tobacco) Health Effects**

- Diseases of the cardiovascular system, in particular smoking being a major risk factor for a myocardial infarction (heart attack);



- Diseases of the respiratory tract such as Chronic Obstructive Pulmonary Disease (COPD) and emphysema, and cancer, particularly lung cancer and
- Cancers of the larynx and mouth; nicotine is highly addictive.

### **Penalties/Disciplinary Sanctions**

The use, illegal possession and distribution of alcohol and drugs increase the risks for behavioral, social, and legal problems resulting in penalties, disciplinary action, and other legal penalties. Violations of federal, state, or local laws and school policies related to the use, illegal possession, and illegal distribution of alcohol and drugs result in misdemeanor or felony convictions accompanied by the imposition of legal sanctions, which include, but are not limited to, the following:

- Suspension or Dismissal from school.
- Suspension or Termination from employment.
- Required attendance at substance abuse education or treatment program.
- Fines as determined under local, state, or federal laws.
- Loss of driving privileges.
- Imprisonment, including up to life imprisonment, for possession or trafficking in drugs.
- Forfeiture of personal and real property.
- Denial of federal benefits such as student financial aid.

### **Procedure for Biennial Review of Drug of Drug and Alcohol Abuse Prevention Program**

Latin Beauty Academy conducts biennial reviews of its Drug and Alcohol Abuse Prevention program in accordance to 668.14 (c) Title 34 Code of Federal Regulations (CFR) Part 86, Subpart B to ensure compliance with Title IV of the Higher Education Act (HEA) program.

The biennial review will be assigned and conducted by the President/CEO and Campus Director responsible for Student Services. The offices review, if applicable, all logs to determine the number of students requesting assistance with drug or alcohol abuse or related problems. They will also review all teacher student referrals to the administration for violations to the Post-Secondary Code of Student Conduct related to drug or alcohol abuse or related issues in the institution. Drug abuse prevention materials and information will be readily available in the Main Office for students to read and take as appropriate. Materials are provided based organizations and agencies that support the drug and alcohol abuse initiatives of our schools. A survey will be developed to assess student's and employee's opinion on the effectiveness of the school's drug and alcohol abuse prevention program. Survey's will be analyzed and shared with students and faculty. Based on the analysis of the survey and recommendations from students, faculty, staff and administrators, revisions and updates to the school's Drug and Alcohol Abuse Prevention program will made.

President/CEO and Campus Director will also conduct research to identify and review evidence based intervention programs and publications that can support the school's effort to establish an effective alcohol and drug prevention program. Research and studies provided by the Substance Abuse and Mental Health Services Administration, the National Institute on Drug Abuse, The Rand Corporation's Drug Policy Research Center Brief on the Benefits of School-Based Drug Prevention Programs, and other targeted prevention approaches to select and implement best practices.

Faculty and staff referrals to the Employee Assistance Program (EAP) are confidential and the school cannot determine how many employees were referred and/or submitted self-referrals for assistance.

Information on the EAP can be accessed at <http://pers.dadeschools.net/eap/Employees.asp>.

### **Federal Policy Regarding Federal Student Aid and Drug Law Convictions**

Latin Beauty Academy penalizes to students who are convicted of possession or sale of drugs. A student convicted of a federal or state drug offense that occurred during a period of enrollment for which the student was receiving Title IV (federal) financial aid is ineligible for federal student aid (FSA).

The chart below illustrates the period of ineligibility for FSA funds, depending on whether the conviction was for sale or possession and whether a student had previous offenses. (A conviction for sale of drugs includes convictions for conspiring to sell drugs.)

	<b>Possession of Illegal</b>	<b>Drugs Sale of Illegal Drugs</b>
1st offense	1 year from date of conviction	2 years from date of conviction
2nd offense	2 years from date of conviction	Indefinite period
3rd offense and beyond	Indefinite period	Indefinite period

\* Exceptions include any conviction that was reversed, set aside, or removed from a student's record, a conviction received as a juvenile (unless the student was tried as an adult), and any conviction for an offense that did not occur when a student was receiving Title IV aid.

Reference: U.S. Department of Education's Federal Student Aid Handbook. (2014-15, Volume 1, Chapter1, pp. 1-15 to 1-16)

<http://ifap.ed.gov/fsahandbook/attachments/1415Vol1Ch1.pdf#zoom=75>

### **Student and Staff Consumer Information**

Latin Beauty Academy provides current and potential information for students and their families. The institution also offers a variety of information to employees and to the Department of Education. In this document, all will know the information that has to be provided, as well as the ways in which the school provides the information. Some of the information that is required to be provided may not be information maintained by the Financial Aid Office. It is the entire school's responsibility to ensure that all program laws and regulations are followed.

Our school administrators work together to ensure that all consumer information is properly prepared and provided to students, families, and employees. According on the structure of our school, the following offices may be involved:

***Dr. Ariel Espinosa, President/CEO***

***Adys Garcia, Director of Finances***

***Hector Rodriguez, Director of Financial Aid Department***

***Director of Admissions, Carlos Rendon***

***Liza Bonilla, Director of Education***

***Rosa Enriquez, Register***

*Our school supported on FSA Assessments Consumer Document introduces students, parents, and employees to a description of how and when the information is provided.*

## **Dissemination of Information**

Depending on the requirement, our school provides information to students and employees using the following options:

- School catalog
- School Web site
- School reports

## **Institutional Information**

Latin Beauty Academy makes information available to prospective and enrolled students regarding:

- The price of attendance, including tuition and fees; books and supplies; and board; transportation costs; and any additional costs for a program in which the student is enrolled or expresses an interest;
- Facilities and services available to students with disabilities, including students with intellectual disabilities;
- A statement of the school's transfer of credit policies that includes:
  - ✓ Names of associations, agencies, or governmental bodies that accredit, approve, or license the school and its programs.
  - ✓ Procedures for obtaining or reviewing documents describing accreditation, approval, or licensing.

Latin Beauty Academy provides to every student upon enrollment, a separate, clear, and conspicuous written notice with information on the penalties associated with drug-related offenses. Schools must also make available to prospective and enrolled students information about:

- Information about student body diversity including the percentage of enrolled, full-time students in the following categories:
  - ✓ Male
  - ✓ Female
  - ✓ Self-identified members of a major racial or ethnic group
  - ✓ Federal Pell Grant recipients

## **Refund Policies and Withdrawal Requirements**

Latin Beauty Academy has available information to prospective and enrolled students regarding:

- The school's refund policy
- Requirements and procedures for official withdrawal
- Requirements for Return of Title IV, HEA grant, or loan aid

## **Completion, Graduation, and Transfer-out Rates**

Latin Beauty Academy discloses information about its completion or graduation rate, retention rates, and its transfer-out rate, if applicable. This information is provided in each student orientation, as well as in required school documents. In the case of a request from a prospective student, the information is always available prior to the student's enrolling or entering into any financial obligation with the school. Our institution also discloses information on the placement of, and types of employment obtained by, graduates of its academy programs.

## Gainful Employment

Latin Beauty Academy discloses the following information regarding Gainful Employment programs:

- The name and U.S. Department of Labor's Standard Occupational Classification (SOC) code of the occupations that the program prepares students to enter, along with links to occupational profiles on the U.S. Department of Labor's O\*NET Web site
- The normal time to complete the program
- The on-time graduation rate for students completing the program
- The tuition and fees the institution charges a student for completing the program within normal time
- The typical costs for books and supplies, and the cost of room and board, if applicable
- The job placement rate for students completing the program
- The median loan debt incurred by students who completed the program (separately by Title IV loans, private educational loans, and by institutional financing)

## Gainful Employment Disclosure Information

Latin Beauty Academy discloses information about GE program as it is required by the Department of Education. This information is based on the following aspects:

- Primary occupations for which the Cosmetology program prepares students:
  - Include names and Standard Occupational Classification (SOC) codes
  - Provide links to occupational profiles on ([www.onetonline.org](http://www.onetonline.org))
- Program length as measured in clock hours and calendar time (weeks, months, and years)
- Total cost to complete the program on time (tuition, fees, books, supplies, and equipment)
- Program's compliance with all applicable accreditation, state, and occupational requirements
- Any required student warnings

## Disclosure Template

- Latin Beauty Academy provides a link to the GE program disclosure template in a prominent, readily accessible, clear, conspicuous, and direct manner on the web page containing academic, cost, financial aid, or admissions information about that GE program.
- Latin Beauty Academy provides promotional materials identifying the GE program. These include, but are not limited to, catalogs, invitations, flyers, Internet, and social media.

## Disclosure Delivery to Students

- Before a prospective student signs an enrollment agreement, completes registration, or makes a financial commitment to the school, the school must provide the prospective student, as a separate document, a copy of the disclosure template.
- The disclosure template may be provided by:
  - Hand-delivering to the prospective student individually or as part of a group presentation (written confirmation of receipt).
  - Sending the disclosure template by email address

*Note: The above requirements are also applicable to a third party acting on behalf of the prospective student.*

## **Copyright Infringement**

Latin Beauty Academy annually makes available to current and prospective students the school's policies and sanctions related to copyright infringement, including:

- A statement that explicitly informs staff, faculty, and students that unauthorized distribution of copyrighted material, including unauthorized peer-to-peer file sharing, may subject them to civil and criminal liabilities.
- A summary of the penalties for violation of federal copyright laws.
- The school's policies with respect to unauthorized peer-to-peer file sharing, including disciplinary actions taken against students who engage in illegal downloading or unauthorized distribution of copyrighted materials using the school's information technology system.

## **Drug and Alcohol Abuse Prevention Program**

Latin Beauty Academy annually distributes in writing to each student and each employee:

- Standards of conduct that clearly prohibit the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on the school's property or as part of any of the school's activities;
- Descriptions of applicable legal sanctions under state, local, and federal law;
- Description of health risks;
- Description of available counseling, treatment, rehabilitation, or re-entry programs;
- Clear statement that the school will impose sanctions for violation of standards of conduct and a description of sanctions.

Our institution distributes to students who enroll and/or employees who are hired after the annual the information described above making sure that each of them receive and understand this information.

## **Academic Programs**

Our school makes information available to prospective and enrolled students about the academic program of the school, including:

- Current academic programs;
- Instructional and laboratory;
- Faculty and other instructional personnel;
- Academic improve.

### ***Textbook Information***

- Latin Beauty Academy discloses in the school catalog all information regarding to textbook used for each academic program.

### ***Academic Improvement Plans***

- Latin Beauty Academy makes available to current and prospective students SAP policies, as well as strategies for improving academic program.

## **Financial Assistance Information**

Latin Beauty Academy disseminates information about financial assistance to all enrolled students and prospective students on request. Our school provides the following financial assistance information:

- A description of all federal, state, local, private, and institutional student financial assistance programs (both need-based and non-need-based) available at the school;
- How students apply for aid and how eligibility is determined;
- How the school selects aid recipients and determines the award amounts;
- Students' rights and responsibilities.

## **Financial Aid Information**

Our Department of Financial Aid is open and available during normal operating hours to help people obtain student consumer information, including current or prospective students. Latin Beauty Academy makes information available to prospective and enrolled students regarding:

- All the need-based and non-need-based federal, state, local, private, and institutional student financial assistance programs available to students who enroll at the school
- Terms and conditions of the Title IV, Higher Education Act (HEA) loans
- Criteria for selecting recipients and for determining award amount
- Eligibility requirements and procedures for applying for aid
- Methods and frequency of disbursements of aid
- Rights and responsibilities of students receiving Title IV, HEA student Financial Aid, including criteria for continued student eligibility and standards for Satisfactory Academic Progress (SAP)
- Terms of any loan received as part of financial aid package, sample loan repayment schedule, and the necessity for repaying loans
- The exit counseling information the school provides and collects

## **Private Education Loans**

Latin Beauty Academy provides information regarding a private education loan from a lender to a prospective borrower, informing certain disclosures to the prospective borrower.

- Provide the prospective borrower with the information the Board of Governors of the Federal Reserve System requires to be disclosed under section 128(e)(1) of the Truth in Lending Act (15 U.S.C. 1638(e)(1)) (scroll down to (e)).
- Inform the prospective borrower that he or she may qualify for FSA loans or other assistance from the FSA programs, and that the terms and conditions of an FSA loan may be more favorable than the provisions of private education loans.
- Ensure that the information regarding private education loans is presented in such a manner as to be distinct from information regarding FSA loans.

## **Net Price Calculator**

Latin Beauty Academy has posted a net price calculator at the school Web site. It was set up with institutional data to provide estimated net price information to current and prospective students and



their families based on a student's individual circumstances. As required by the Department of Education, the net price calculator is a Title IV institutions tool.

## **Misrepresentation**

Latin Beauty Academy prevents substantially misrepresenting the nature of its educational program, its financial charges, or the employability of its graduates. Our institution provides clear information to avoid misrepresentation, erroneous, or misleading statement made to a student or prospective student; to the family of an enrolled or prospective student; or ED. Substantial misrepresentation is any misrepresentation on which the person to whom it was made could reasonably be expected to rely, or has reasonably relied, to that person's detriment.

Our institution according to *34 CFR 668.72 Nature of educational program* recognizes that ***misrepresentation*** concerning the nature of an eligible institution's educational program includes but is not limited to false, erroneous, or misleading statements concerning:

- The particular type(s), specific source(s), nature and extent of our institutional for state license and/or specialized accreditation;
- Whether a student may transfer course credits earned at the institution to any other institution;
- Conditions under which the institution will accept transfer credits earned at another institution;
- Whether successful completion of a course of instruction qualifies a student:
  - ✓ For acceptance to a labor union or similar organization; or
  - ✓ To receive, to apply to take, or to take the examination required to receive, a local, state, or federal license, or a nongovernmental certification required as a precondition for employment, or to perform certain functions in the states in which the educational program is offered, or to meet additional conditions that the institution knows or reasonably should know are generally needed to secure employment in a recognized occupation for which the program is represented to prepare students;
- The requirements for successfully completing the course of study or program and the circumstances that would constitute grounds for terminating the student's enrollment;
- Whether its courses are recommended or have been the subject of unsolicited testimonials or endorsements by:
  - ✓ Vocational counselors, high schools, colleges, educational organizations, employment agencies, members of a particular industry, students, former students, or others; or;
  - ✓ Governmental officials for governmental employment;
- Its size, location, facilities, or equipment;
- The availability, frequency, and appropriateness of its courses and programs to the employment objectives that it states its programs are designed to meet;
- The nature, age, and availability of its training devices or equipment and their appropriateness to the employment objectives that it states its programs and courses are designed to meet;
- The number, availability, and qualifications, including the training and experience, of its faculty and other personnel;

- The availability of part-time employment or other forms of financial assistance;
- The nature and availability of any tutorial or specialized instruction, guidance and counseling, or other supplementary assistance it will provide its students before, during or after the completion of a course;
- The nature or extent of any prerequisites established for enrollment in any course;
- The subject matter, content of the course of study, or any other fact related to the degree, diploma, certificate of completion, or any similar document that the student is to be, or is, awarded upon completion of the course of study;
- Information about our academic, professional, and occupational programs that our institution will confer upon completion of the program of study has been authorized by the appropriate state educational agency. This type of misrepresentation includes, in the case of a degree that has not been authorized by the appropriate state educational agency or that requires specialized accreditation, any failure by an eligible institution to disclose these facts in any advertising or promotional materials that reference such academic program; or
- Any matters required to be disclosed to prospective students.

Latin Beauty Academy, according to the *34 CFR 668.73 Nature of financial charges*, is clear and precise to the nature of:

- Offers of scholarships to pay part of a program cost;
- Whether a particular charge is the customary charge at the institution for a course;
- The cost of the program and the institution's refund policy if the student does not complete the program;
- The availability or nature of any financial assistance offered to students, including a student's responsibility to repay any loans, regardless of whether the student is successful in completing the program and obtaining employment; or
- The student's right to reject any particular type of financial aid or other assistance, or whether the student must apply for a particular type of financial aid, such as financing offered by the institution.

Latin Beauty Academy, according to the *34 CFR 668.74 Employability of graduates* has not misrepresentation regarding the employability for graduates including but is not limited to false, erroneous, or misleading statements concerning:

- The institution's relationship with any organization, employment agency, or other agency providing authorized training leading directly to employment;
- The institution's plans to maintain a placement service for graduates or otherwise assist its graduates to obtain employment;
- The institution's knowledge about the current or likely future conditions, compensation, or employment opportunities in the industry or occupation for which the students are being prepared;
- Whether employment is being offered by the institution or that a talent hunt or contest is being conducted, including but not limited to the use of phrases such as "Men/women wanted to train for \* \* \*," "Help Wanted," "Employment," or "Business Opportunities";
- Government job market statistics in relation to the potential placement of its graduates; or

- Other requirements that are generally needed to be employed in the fields for which the training is provided, such as requirements related to commercial driving licenses or permits to carry firearms, and failing to disclose factors that would prevent an applicant from qualifying for such requirements, such as prior criminal records or preexisting medical conditions.

### **The Family Educational Rights and Privacy Act (FERPA)**

Latin Beauty Academy provide the following general categories information, which is used as a notice to enrolled students:

- General disclosures for enrolled or prospective students;
- Annual security report and annual fire safety report;
- FERPA information (Family Educational Rights and Privacy Act of 1974).

### **Purpose of FERPA Regulations**

- The purpose of this part is to set out requirements for the protection of privacy of parents and students under section 444 of the General Education Provisions Act, as amended.

The Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) is a Federal law that protects the privacy of student education records. FERPA gives parents certain rights with respect to their children's education records. These rights transfer to the student when he or she reaches the age of 18 or attends a school beyond the high school level. Students to whom the rights have transferred are "eligible students." Parents or eligible students have the right to inspect and review the student's education records maintained by the school. Latin Beauty Academy is not required to provide copies of records unless, for reasons such as great distance for which it is impossible for parents or eligible students to review the records. Parents or eligible students have the right to request to our institution corrects records which they believe to be inaccurate or misleading. If Latin Beauty Academy decides not to amend the record, the parent or eligible student then has the right to a formal hearing. After the hearing, if Latin Beauty Academy still decides not to amend the record, the parent or eligible student has the right to place a statement with the record setting forth his or her view about the contested information.

Latin Beauty Academy provides a written permission from the parent or eligible student in order to release any information from a student's education record. However, FERPA allows schools to disclose those records, without consent, to the following parties or under the following conditions (34 CFR § 99.31):

- School officials with legitimate educational interest;
- Other schools to which a student is transferring;
- Specified officials for audit or evaluation purposes;
- Appropriate parties in connection with financial aid to a student;
- Organizations conducting certain studies for or on behalf of the school;
- Accrediting organizations;
- To comply with a judicial order or lawfully issued subpoena;
- Appropriate officials in cases of health and safety emergencies; and
- State and local authorities, within a juvenile justice system, pursuant to specific State law.

## **Definitions Applicable from FERPA to Latin Beauty Academy**

Latin Beauty Academy keeps a directory information, which means information contained in an education record of a student that would not generally be considered harmful or an invasion of privacy if disclosed. This directory information includes, but is not limited to, the student's name; address; telephone listing; electronic mail address; photograph; date and place of birth; major field of study; grade level; enrollment status (full-time or part-time); dates of attendance; participation in officially recognized activities and sports; weight and height of members of athletic teams; degrees, honors, and awards received; and the most recent educational agency or institution attended. The directory information does not include a student's: Social security number; or student identification (ID) number as unique personal identifier used by a student for purposes of accessing or communicating in electronic systems, but only if the identifier cannot be used to gain access to education records except when used in conjunction with one or more factors that authenticate the user's identity, such as a personal identification number (PIN), password or other factor known or possessed only by the authorized user; and cannot be used to gain access to education records except when used in conjunction with one or more factors that authenticate the user's identity, such as a PIN, password, or other factor known or possessed only by the authorized user.

Latin Beauty Academy enforces disciplinary action imposition of sanctions with respect to an infraction or violation of the internal rules of conduct applicable to student's privacy information.

### **Rights of Parents**

Latin Beauty Academy gives full rights under the Act to either parent, unless our institution has been provided with evidence that there is a court order, State statute, or legally binding document relating to such matters as divorce, separation, or custody that specifically revokes these rights.

### **Rights of Students**

Latin Beauty Academy understands that when a student becomes an eligible student, the rights accorded to, and consent required of, parents under this part transfer from the parents to the student. Our institution from disclosing education records, or personally identifiable information from education records, to a parent without the prior written consent of an eligible student if the disclosure.

Latin Beauty Academy considers that an individual who applies for admission at another component of that Latin Beauty Academy does not have rights under this part with respect to records maintained by that other component, including records maintained in connection with the student's application for admission, unless the student is accepted and attends that other component of the institution.

### **Annual Notification**

Latin Beauty Academy annually notify parents of students currently in attendance, or eligible students currently in attendance, of their rights under the Act and this part:

- Inspect and review the student's education records;

- Seek amendment of the student's education records that the parent or eligible student believes to be inaccurate, misleading, or otherwise in violation of the student's privacy rights;
- Consent to disclosures of personally identifiable information contained in the student's education records, except to the extent that the Act and authorize disclosure without consent; and
- File with the Department a complaint under concerning alleged failures by the educational agency or institution to comply with the requirements of the Act and this part.

The notice must include all of the following:

- The procedure for exercising the right to inspect and review education records;
- The procedure for requesting amendment of records;

### **Limitations on the Right to Inspect and Review Records**

Latin Beauty Academy does not have to permit a student or parents to inspect and review education records that are:

- Financial records, including any information those records contain, of his or her parents;
- Confidential letters and confidential statements of recommendation placed in the education records;
- Letters and statements are related to the student's:
  - ✓ Admission to an educational institution;
  - ✓ Application for employment; or
  - ✓ Receipt of an honor or honorary recognition.

### **Parent or Eligible Student Request Amendment of the Student's Education Records**

- If any parent or eligible student of Latin Beauty Academy believes the education records relating to the student contain information that is inaccurate, misleading, or in violation of the student's rights of privacy, he or she may ask our institution to amend the record.
- Latin Beauty Academy will decide whether to amend the record as requested within a reasonable time after the agency or institution receives the request.
- If Latin Beauty Academy decides not to amend the record as requested, administration will inform the parent or eligible student of its decision and of his or her right to a hearing

### **Conditions Does Parents or Eligible Students have the Right to a Hearing**

Latin Beauty Academy gives a parent or eligible student, on request, an opportunity for a hearing to challenge the content of the student's education records on the grounds that the information contained in the education records is inaccurate, misleading, or in violation of the privacy rights of the student. If, as a result of the hearing, the educational agency or institution decides that the information is inaccurate, misleading, or otherwise in violation of the privacy rights of the student, our institution will:

- Amend the record accordingly; and
- Inform the parent or eligible student of the amendment in writing.

If, as a result of the hearing, the educational agency or institution decides that the information in the education record is not inaccurate, misleading, or otherwise in violation of the privacy rights of the student, our institution will inform the parent or eligible student of the right to place a statement in the record commenting on the contested information in the record or stating why he or she disagrees with the decision of the agency or institution, or both.

### **Minimum Requirements Exist for the Conduct of a Hearing**

The hearing required must meet, at a minimum, the following requirements:

- Latin Beauty Academy will hold the hearing within a reasonable time after it has received the request for the hearing from the parent or eligible student.
- Latin Beauty Academy will give the parent or eligible student notice of the date, time, and place, reasonably in advance of the hearing.
- The hearing will be conducted by an official of the institution, who does not have a direct interest in the outcome of the hearing.
- Latin Beauty Academy will give the parent or eligible student a full and fair opportunity to present evidence relevant to the issues raised. The parent or eligible student may, at their own expense, be assisted or represented by one or more individuals of his or her own choice, including an attorney.
- Latin Beauty Academy makes its decision in writing within a reasonable period of time after the hearing.
- The decision will be based solely on the evidence presented at the hearing, and will include a summary of the evidence and the reasons for the decision.

### **Conditions Prior Consent Required to Disclose Information**

The parent or eligible student shall provide a signed and dated written consent before Latin Beauty Academy discloses personally identifiable information from the student's education records. The written consent must:

- Specify the records that may be disclosed;
- State the purpose of the disclosure; and
- Identify the party or class of parties to whom the disclosure may be made.

THEN,

Our institution will provide him or her with a copy of the records disclosed; and if the parent of a student who is not an eligible student so requests, Latin Beauty Academy will provide the student with a copy of the records disclosed. "Signed and dated written consent" under this part may include a record and signature in electronic form that identifies and authenticates a particular person as the source of the electronic consent; and indicates such person's approval of the information contained in the electronic consent.

### **Conditions Prior Consent Not Required to Disclose Information**

Latin Beauty Academy may disclose personally identifiable information from an education record of a student without the consent required if the disclosure meets one or more of the following conditions:



- The disclosure is to other school officials, including teachers, within the institution whom the agency or institution has determined to have legitimate educational interests.
- A contractor, consultant, volunteer, or other party to whom the institution has outsourced institutional services or functions may be considered a school official under this paragraph provided that the outside party.
- Performs an institutional service or function for which the institution would otherwise use employees;
- Under the direct control of the agency or institution with respect to the use and maintenance of education records; and
- It is subject to the requirements of governing the use and re-disclosure of personally identifiable information from education records.

Latin Beauty Academy uses reasonable methods to ensure that school officials obtain access to only those education records in which they have legitimate educational interests. So, our institution ensures that its administrative policy for controlling access to education records is effective and that it remains in compliance with the legitimate educational interest. The disclosure is, subject to the requirements to officials of another school, school system where the student seeks or intends to enroll, or where the student is already enrolled so long as the disclosure is for purposes related to the student's enrollment or transfer.

Latin Beauty Academy to conduct any study in a manner that does not permit personal identification of parents and students, as defined in this part, by anyone other than representatives of the organization with legitimate interests. Our institution requires that officials destroy all personally identifiable information when the information is no longer needed for the purposes for which the study was conducted and specifies the time period in which the information must be destroyed.

If Latin Beauty Academy initiates legal action against a parent or student, our institution may disclose to the court, without a court order or subpoena, the education records of the student that are relevant for Latin Beauty Academy to proceed with the legal action as plaintiff.

If a parent or eligible student initiates legal action against Latin Beauty Academy, our institution may disclose to the court, without a court order or subpoena, the student's education records that are relevant for the educational agency or institution to defend itself.

The disclosure, subject to the requirements is to a victim of an alleged perpetrator of a crime of violence or a non-forcible sex offense. The disclosure may only include the final results of the disciplinary proceeding conducted by our institution of postsecondary education with respect to that alleged crime or offense. The institution may disclose the final results of the disciplinary proceeding, regardless of whether the institution concluded a violation was committed. The disclosure, subject to the requirements is in connection with a disciplinary proceeding at Latin Beauty Academy. The institution must not disclose the final results of the disciplinary proceeding unless it determines that:

- The student is an alleged perpetrator of a crime of violence or non-forcible sex offense; and
- With respect to the allegation made against him or her, the student has committed a violation of the institution's rules or policies. The institution may not disclose the name of any other student, including a victim or witness, without the prior written consent of the other student.

The disclosure is to a parent of a student at Latin Beauty Academy regarding the student's violation of any Federal, State, or local law, or of any rule or policy of the institution, governing the use or possession of alcohol or a controlled substance if;

- Latin Beauty Academy determines that the student has committed a disciplinary violation with respect to that use or possession; and
- The student is under the age of 21 at the time of the disclosure to the parent.

The disclosure concerns sex offenders and other individuals required to register under section 170101 of the Violent Crime Control and Law Enforcement Act of 1994, 42 U.S.C. 14071, and the information was provided to the educational agency or institution under 42 U.S.C. 14071 and applicable Federal guidelines.

*De-identified records and information.* If, Latin Beauty Academy has received education records or information from education records under this part, may release the records or information without the consent required after the removal of all personally identifiable information provided that our institution has made a reasonable determination that a student's identity is not personally identifiable, whether through single or multiple releases, and taking into account other reasonably available information.

### **Recordkeeping Requirements Concerning Requests and Disclosures**

Latin Beauty Academy maintains a record of each request for access to and each disclosure of personally identifiable information from the education records of each student, as well as the names of State and local educational authorities and Federal officials and agencies that may make further disclosures of personally identifiable information from the student's education records without consent. Latin Beauty Academy obtain a copy of the record of further disclosures maintained and make it available in response to a parent's or eligible student's request to review the record required.

Latin Beauty Academy records the following information when it discloses personally identifiable information from education records under the health or safety emergency with exceptions as the articulable and significant threat to the health or safety of a student or other individuals that formed the basis for the disclosure.

Upon request, Latin Beauty Academy maintains a record of further disclosures must provide a copy of the record of further disclosures to the educational agency or institution within a reasonable period of time not to exceed 30 days.

### **Limitations to the Re-disclosure of Information**

Latin Beauty Academy may disclose personally identifiable information from an education record only on the condition that the party to whom the information is disclosed will not disclose the information to any other party without the prior consent of the parent or eligible student. The officers, employees, and agents of a party that receives information may use the information, but only for the purposes for which the disclosure was made and has complied with the requirements.

### **Conditions to Disclosure of Information to Other Educational Agencies or Institutions**

Latin Beauty Academy makes a reasonable attempt to notify the parent or eligible student at the last known address of the parent or eligible student, unless the disclosure is initiated by the parent or eligible student; or the annual notification of the agency or institution includes a notice that the agency or institution forwards education records to other agencies or institutions that have requested the records and in which the student seeks or intends to enroll or is already enrolled so long as the disclosure is for purposes related to the student's enrollment or transfer; give the parent or eligible student, upon request, a copy of the record that was disclosed; and give the parent or eligible student, upon request, an opportunity for a hearing.

Latin Beauty Academy may disclose an education record of a student in attendance to another educational agency or institution if, the student is enrolled in or receives services from the other agency or institution.

### **Conditions to Disclosure of Information for Federal or State Program Purposes**

In Latin Beauty Academy only authorized officials may have access to education records in connection with an audit or evaluation of Federal or State supported education programs, or for the enforcement of or compliance with Federal legal requirements that relate to those programs. They are responsible for using reasonable methods to ensure to the greatest extent practicable to uses personally identifiable information only to carry out an audit or evaluation of Federal- or State-supported education programs, or for the enforcement of or compliance with Federal legal requirements related to these programs; protects the personally identifiable information from further disclosures or other uses and destroys the personally identifiable information.

Latin Beauty Academy establishes policies and procedures, consistent with the Act and other Federal and State confidentiality and privacy provisions, to protect personally identifiable information from education records from further disclosure and unauthorized use, including limiting use of personally identifiable information from education records to only authorized representatives with legitimate interests in the audit or evaluation of a Federal- or State-supported education program or for compliance or enforcement of Federal legal requirements related to these programs. In addition, the institution protects in a manner that does not permit personal identification of individuals by anyone other than the State or local educational authority or agency headed and their authorized representatives, except that the State or local educational authority or agency headed by an officials and may make further disclosures of personally identifiable information from education records on behalf of the educational agency or institution in accordance with the requirements, such as be destroyed when no longer needed for the purposes and the collection of personally identifiable information is specifically authorized by Federal law.

### **Conditions to Disclosure of Information in Health and Safety Emergencies**

Latin Beauty Academy discloses personally identifiable information from an education record to appropriate parties, including parents of an eligible student, in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the student or other individuals. Nothing in this Act or this part shall prevent an educational agency or institution from including in the education records of a student appropriate information concerning disciplinary action taken against the student for conduct that posed a significant risk to the safety or well-being of that student, other students, or other members of the school community; or disclosing

appropriate information maintained to teachers and school officials within our institution who the agency or institution has determined have legitimate educational interests in the behavior of the student; or disclosing appropriate information maintained to teachers and school officials in other schools who have been determined to have legitimate educational interests in the behavior of the student.

Latin Beauty Academy takes into account the totality of the circumstances pertaining to a threat to the health or safety of a student or other individuals. If our institution determines that there is an articulable and significant threat to the health or safety of a student or other individuals, it may disclose information from education records to any person whose knowledge of the information is necessary to protect the health or safety of the student or other individuals. If, based on the information available at the time of the determination, there is a rational basis for the determination, the Department will not substitute its judgment for that of the educational agency or institution in evaluating the circumstances and making its determination.

### **Conditions to Disclosing Directory Information**

Latin Beauty Academy discloses directory information if it has given public notice to parents of students in attendance and eligible students in attendance at the agency or institution of the types of personally identifiable information that the agency or institution has designated as directory information; or parent's or eligible student's right to refuse to let the agency or institution designate any or all of those types of information about the student as directory information; and the period of time within which a parent or eligible student has to notify our institution in writing that he or she does not want any or all of those types of information about the student designated as directory information.

Latin Beauty Academy disclose directory information about former students without complying with the notice and opt out conditions. However, our institution must continue to honor any valid request to opt out of the disclosure of directory information made while a student was in attendance unless the student rescinds the opt out request. As a parent or eligible student may not use the right to opt out of directory information disclosures to prevent our institution from disclosing or requiring a student to disclose the student's name, identifier, or institutional email address in a class in which the student is enrolled; or prevent our institution from requiring a student to wear, to display publicly, or to disclose a student ID card or badge that exhibits information that may be designated as directory information and that has been properly designated by our institution as directory information in the public notice.

In its public notice to parents and eligible students in attendance at our institution may specify that disclosure of directory information will be limited to specific parties, for specific purposes, or both. When Latin Beauty Academy specifies that disclosure of directory information will be limited to specific parties, for specific purposes, or both, the educational agency or institution must limit its directory information disclosures to those specified in its public notice. Our institution not disclose or confirm directory information without meeting the written consent requirements if a student's social security number or other non-directory information is used alone or combined with other data elements to identify or help identify the student or the student's records.

## **Conditions to Disclosure of Information as Permitted by State Statute**

If reporting or disclosure allowed by State statute concerns the juvenile justice system and the system's ability to effectively serve, prior to adjudication, the student whose records are released, Latin Beauty Academy discloses education records and the officials and authorities to whom the records are disclosed shall certify in writing to our institution that the information will not be disclosed to any other party, except as provided under State law, without the prior written consent of the parent of the student.

## **Definitions to the Nonconsensual Disclosure of Records**

As used previously in this document *Alleged perpetrator of a crime of violence* is a student who is alleged to have committed acts that would, if proven, constitute any of the following offenses or attempts to commit the following offenses:

- Arson
- Assault offenses
- Burglary
- Criminal homicide—manslaughter by negligence
- Criminal homicide—murder and no negligent manslaughter
- Destruction/damage/vandalism of property
- Kidnapping/abduction
- Robbery
- Forcible sex offenses.

*Alleged perpetrator of a non-forcible sex offense* means a student who is alleged to have committed acts that, if proven, would constitute statutory rape or incest.

*Final results* mean a decision or determination, made by an honor court or council, committee, commission, or other entity authorized to resolve disciplinary matters within the institution. The disclosure of final results must include only the name of the student, the violation committed, and any sanction imposed by the institution against the student.

*Sanction imposed* means a description of the disciplinary action taken by the institution, the date of its imposition, and its duration.

*Violation committed* means the institutional rules or code sections that were violated and any essential findings supporting the institution's conclusion that the violation was committed.

## **Responsibility of Latin Beauty Academy Concerning Conflict with State or Local Laws**

If Latin Beauty Academy determines that it cannot comply with the Act or this part due to a conflict with State or local law, our institution must notify the Office within 45 days, giving the text and citation of the conflicting law. If another recipient of Department funds under any program administered by the Secretary or a third party to which personally identifiable information from education records has been non-consensually disclosed determines that it cannot comply with the Act or this part due to a conflict with State or local law, it also must notify the Office within 45 days, giving the text and citation of the conflicting law.

## **Information Submitted to the Department of Education**

The Office may require to Latin Beauty Academy personally identifiable information from education records is non-consensually disclosed from education records is non-consensually disclosed to submit reports, information on policies and procedures, annual notifications, training materials, or other information necessary to carry out the Office's enforcement responsibilities under the Act or this part.

A parent or eligible student may file a written complaint with the Office regarding an alleged violation under the Act and this part. The Office's address is: Family Policy Compliance Office, U.S. Department of Education, 400 Maryland Avenue, SW., Washington, DC 20202.

## **Investigation Procedure**

A complaint must contain specific allegations of fact giving reasonable cause to believe that a violation of the Act or this part has occurred. A complaint does not have to allege that a violation is based on a policy or practice of the educational agency or institution, other recipient of Department funds under any program administered by the Secretary, or any third party outside of an educational agency or institution.

The Office investigates a timely complaint filed by a parent or eligible student, or conducts its own investigation when no complaint has been filed or a complaint has been withdrawn, to determine whether an educational agency or institution or other recipient of Department funds under any program administered by the Secretary has failed to comply with a provision of the Act or this part. If the Office determines that Latin Beauty Academy has failed to comply with a provision of the Act or this part, it may also determine whether the failure to comply is based on a policy or practice of our institution. The Office also investigates a timely complaint filed by a parent or eligible student, or conducts its own investigation when no complaint has been filed or a complaint has been withdrawn, to determine whether Latin Beauty Academy has improperly re-disclosed personally identifiable information from education records in violation.

A timely complaint is defined as an allegation of a violation of the Act that is submitted to the Office within 180 days of the date of the alleged violation or of the date that the complainant knew or reasonably should have known of the alleged violation. The Office may extend the time limit in this section for good cause shown.

## **Content of the Notice of Investigation Issued by the Office**

The Office notifies in writing the complainant to Latin Beauty Academy. The written notice includes the substance of the allegations against our institution and our institution must submit a written response and other relevant information within a specified period of time, including information about its policies and practices regarding education records. Then, the Office notifies the complainant if it does not initiate an investigation because the complaint fails to meet the requirements.



## **ADDENDUM A**

### **Acronyms**

AGI – Adjusted Gross Income  
C-Code – Comment Code  
CFR– Code of Federal Regulation  
COA – Cost of Attendance  
COD – Common Origination & Disbursement  
CIE – Commission of Independent Education  
CPS – Central Processing System  
LBA – Latin Beauty Academy  
DL – Direct Loan  
DE – Department of Education  
DRN – Data Release Number  
ED – Department of Education  
EFA – Estimated Financial Assistance  
EFC – Expected Family Contribution  
EFT – Electronic Funds Transfer  
E-Signature – Electronic Signature  
FAA – Financial Aid Administrator/Advisor  
FAFSA – Free Application for Federal Student Aid  
FERPA – Family Educational Rights and Privacy Act  
FDLP – Federal Direct Loan Program  
FAO – Financial Aid Office  
FSAIC – Federal Student Aid Information Center  
GA- Guaranty Agency  
GED – General Educational Development  
GPA – Grade Point Average  
HEA – Higher Education Act  
IFAP – Information for Financial Aid Professionals  
IRS – Internal Revenue Service  
ISIR – Institutional Student Information Report  
LOA – Leave of Absence  
MPN – Master Promissory Note  
NSLDS – National Student Loan Data System  
OPE ID – Office of Postsecondary Education Identification Number  
OSFA – Office of Student Financial Aid  
PJ – Professional Judgment  
PLUS – Parent Loan for Undergraduate Student  
PIN – Personal Identification Number  
R2T4 – Return of Title IV Funds  
SAP – Satisfactory Academic Progress  
SAR – Student Aid Report  
SSN – Social Security Number  
SSS – Selective Services System  
USCIS – United States Citizenship and Immigration Services  
VA – Veterans Administration

## **ADDENDUM B**

### **References**

Sources of Federal and Department of Education’s regulatory guidelines consulted in compiling this document:

- A Guide to Creating Policies and Procedure Manual (IFAP)
- Common Manual
- Code of Federal Regulations
- Latin Beauty Academy Catalog 2015
- Federal Student Aid Handbook
- ISIR Guide
- NSLDS User’s Guide
- The Audit Guide
- The Blue Book

## **ADDENDUM C**

### **Verification Notification Form**

Financial Aid Department  
Verification Notice

Student Name: \_\_\_\_\_  
Social Security Number: \_\_\_\_\_

Dear Student,

Please be advised that you have been selected for the process of verification. This is the process by which an institution confirms the accuracy of information reported on the FAFSA. As required by federal regulations, you must provide the following documentation in order for your application for federal aid to be completely processed and any disbursement of federal funds made.

From the list below, please provide all the checked item(s) to the financial aid office within 5 business days from the date this letter was received:

- Completed and signed verification worksheet (worksheet attached)
- Signed copy of \_\_\_\_\_ tax return and all schedules for student and spouse (if married)
- Proof of citizenship – U.S. Birth Certificate; or Naturalization Certificate; or U.S. Passport or Permanent Resident Card
- Proof of Selective Services registration or exemption (male U.S. Resident or Citizen between the ages of 18-25 is required by law to register)
- Signed copy of student's and or parent's \_\_\_\_\_ tax return and all schedules.

## ADDENDUM D

Latin Beauty Academy Program								
Catalog			Pell Charts		Program Definitions			
Program	Clock Hours	Weeks	Credits	Weeks	Total credit in AY	Credits in payment period	in	Weeks in AY
Cosmetology	12000	99	120	99	36	18		30