GSG Minutes
November 15, 2011
7PM-8PM Ashurst Room A109
Meet-me-line: (928) 523-9119

Begin: 7:00PM

Members Present:
GSG Executive Members: Johan Bodaski, Michael Cook, Moussa Tankari, Stacie Leach, Ramona Mellott
GSG Representatives: David Boyse, Jessica Collins, Adam Lockwood, Rebecca McIlvaine, David Vaillencourt, Sangeeta Vijayagopalan, Emily Wells, Kelly Weston

Members Absent:
GSG Representatives: Mily Gomez, Lee Sullivan, Miranda Gonzalez, Charlie Truettner

7:00-7:30 Michelle Castillo, Office of Financial Aid, Director
Difference between subsidized loans and unsubsidized loans. Interest rate = 6.8%
Graduate PLUS Loans and private loans based on credit.
All subsidized loans for Summer II will be disbursed prior to July 1 so you will be able to obtain those subsidized loans.

Handout provided to GSG by Michelle Castillo:
Student Loan Definitions

Subsidized Loans: awarded based on financial need. The US government pays (subsidizes) the interest on this loan while a student is enrolled at least half-time, and until the end of the six-month grace period.
• Interest Rate: 6.8%
• Prior to July 1, 2012 can borrow up to a maximum of $8500 each academic year based on eligibility

Unsubsidized Loans: awarded regardless of need. The student is charged interest on the amount disbursed from the date of disbursement. The student may either make or defer interest payment while in school and during six month grace period. If interest payments are deferred, the accumulated interest will be capitalized, or added, to the principal of the loan when entering repayment. All future interest charges are then based on the new, higher principal amount.
• Interest Rate: 6.8%
• Can borrow up to a maximum of $20,500 based on eligibility

Graduate PLUS Loans: available to graduate students to supplement the funding available from the Direct Loan Program. Works much like unsubsidized loan, however, this loan is based on credit.
• Interest Rate: 7.9%
• Can borrow up to student’s cost of attendance (after all other Direct Loans have been awarded)
**Private Loans:** loans offered by banks and educational lenders to help fund educational expenses. These loans are based on credit, institutional cost of attendance, financial aid resources and loan limits imposed by lender

- Variable interest rates

**Budget Control Act of 2011-Direct Loan Provision**
Graduate students will not be eligible to receive Federal Direct Subsidized Loans for periods of enrollment beginning on or after July 1, 2012.

- Graduate students will not eligible for Subsidized Stafford Loan for the 2012-2013 academic year
- All Stafford loans for 2011-2012 must be processed and disbursed prior to July 1, 2012 to ensure the subsidized portion is retained. This includes loans for Summer Session 2012.
- Terms and conditions of Direct Subsidized Loans received for loan periods beginning before July 1, 2012, for either graduate or undergraduate study, are not affected by this change.
- Annual Direct Loan limit remains at $20,500
- Aggregate Direct Loan limit remains at $138,500. Not more than $65,500 of this may be in subsidized loans (including loans borrowed as an undergraduate).

- Up front interest rebate will no longer be offered on any Direct Loans with a first disbursement date that is on or after July 1, 2012
  - Federal Direct subsidized and unsubsidized loans: Currently the origination fee is 1% and the up-front rebate is .5% of the amount borrowed. This means that only .5% of the loan was withheld at the time of disbursement. It is important to note that to keep this up-front rebate a borrower must make their first twelve payments on time once entering repayment. After July 1, 2012 the entire origination fee (1%) will be taken out of the loan prior to disbursement.
  - Federal Graduate PLUS loan: Currently, the origination fee is 4% and the up-front rebate is 1.5% of the amount borrowed. The means that 2.5% of the loan was withheld at the time of disbursement. It is important to note that to keep this up-front rebate a borrower must make their first twelve payments on time once entering repayment. After July 1, 2012 the entire origination fee (4%), will be taken out of the loan prior to disbursement.

**Resources**

- [www.nau.edu/finaid](http://www.nau.edu/finaid)
- [www.studentloans.gov](http://www.studentloans.gov)
- [www.finaid.org](http://www.finaid.org)
In 2010-2011

- 62% of Graduate students have borrowed financial aid
- Average Graduate Student Indebtedness = $30,805
- NAU is below the national average of indebtedness and for default rates.
- Default rate at NAU is at 5.4%, national average is near 7%
- A student can borrow a total of $138,500 for undergraduate and graduate in subsidized and unsubsidized loans. This does not include Grad/Parent PLUS loans or private loans.
- Many private loans require that you pay back immediately. There is no deferment period unless specified and usually if there is, it works as an unsubsidized loan.

7:30-7:40  Process for graduate club/individual to request GSG funds

- Fill out organizational allocation. On GSG website. Turn in prior to a GSG meeting, you will be asked to come present your funding request at a GSG meeting. The representatives will vote on allocation.

7:40-7:50  Allocation of $23 fee to student activities

- We need to ask the graduate body what they want to fund or have those that are passionate
- Meeting Friday at 10:15AM with ASNAU execs to discuss $23 fee and allocation.

7:50-7:52  Status and support of GSG website

David Vaillencourt is working on our website. Spoke to Trey at IT and the CMS update for GSG will not happen without a need.

7:52-8:00  Travel funds replenished to $10,000, Michael Cook, V.P.

- We have $10,700 for proposals that have not been used. Can we think about transferring some of those funds to the approximately $5000 standing for travel awards. Last year’s poll showed the #1 response for funding should be travel awards. Who knows about the funding proposals? Is this something that
- Tabled for future vote (February).

8:00 – 8:10  Updates from the Graduate College

- Gainful employment... new website – www.nau.edu/gainfulemployment
- Please encourage your graduate students to attend GSG meetings. Especially today, there is good information that is available that impact them (i.e. financial aid and cost of attendance).
- UGC is looking to changing the Incomplete status. (i.e. I to F after one year or a limit on the number of permanent Incompletes)

STILL LOOKING FOR STUDENT REGENTS!!!!!
Please encourage those you know to apply.
End: 8:10PM