

Frequently Asked Questions

What does The Scholarship Foundation do?

The Scholarship Foundation provides interest-free student loans to help financially needy students pay for college. Since 1920, The Scholarship Foundation has provided financial assistance to more than 11,000 local students.

What are the eligibility requirements?

Students demonstrating financial need, academic promise (a minimum 2.0 cum. GPA on a 4.0 scale), and strong character are eligible for consideration for an interest-free loan.

How much money can I receive?

Currently, students can borrow up to **\$11,000.00** per academic year (\$5,500 per semester). The average annual loan award in 2016 was \$6,700. *Please be advised if budget limitations become an issue, consideration will be given to applicants with the lowest Expected Family Contribution (EFC) and the greatest need.*

What is interest-free?

Interest-free means that **only and exactly what is borrowed has to be repaid**. There are no charges, fees, or costs associated with borrowing or repaying interest-free dollars from The Scholarship Foundation.

When can I apply?

The Interest-Free Student Loan Program is offered twice per year. The first application cycle begins January 1 and the deadline is **April 15** for the fall and spring semesters. *If funds are available*, an application cycle for *renewing students only* begins September 1 and the deadline is **November 15** for the spring semester only. For years in which the deadline falls on a weekend, the deadline shall be extended to the following Monday.

How do I apply?

The application is online. Visit our website for instructions at www.sfstl.org

Do I need a co-signer?

NO. Interest-free loans from The Scholarship Foundation are based on financial need, academic promise and strong character of the applicant only. *Additionally, The Foundation does not hold parents responsible for repayment of the loan, nor may a parent borrow on behalf of the student.*

What is need-based aid?

Any funding source that considers a family's income or ability to pay as criteria for receiving financial aid is considered need-based. The Scholarship Foundation's Interest-Free Student Loan Program and all grants offered by The Scholarship Foundation are reserved for applicants demonstrating financial need.

How does The Scholarship Foundation get money?

The Scholarship Foundation is a nonprofit organization supported by contributions from individuals, foundations and corporations, as well as students' loan repayments which are recycled into loans for new students. Historically, net proceeds from ScholarShop, the Foundation's upscale, resale store, have also funded student loans. Due to dramatic changes in the retail and fashion industries, ScholarShop will be closing its doors in mid-2017 so the Foundation can focus on maximizing assistance to students.

Opening Doors to Education

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What is a for-profit school?

For-profit schools are institutions operated by private, profit-seeking businesses. Many other colleges are not-for-profit and are state affiliated or operated by religious orders and groups.

Why can Scholarship Foundation funding not be used at for-profit schools?

Scholarship Foundation funding cannot be used at for-profit schools for several reasons. First, there are concerns about the **affordability** and future debt burden for students. Costs are high and the debt load is often steep. Many times similar programs are offered at other not-for-profit institutions for a more affordable cost. Second, **program integrity** is of concern; accreditation is sometimes provisional or under scrutiny. Third, **transferability** of credits from for-profit institutions to a not-for-profit one can be challenging. This often leaves a student in a tough spot having paid for credits that cannot be used anywhere else. Employment rates for students who graduate from for-profit institutions are lower than those who attend not-for-profit schools.

What is a conditional denial for too much need?

Students applying for Scholarship Foundation funding need to be aware of one possible outcome: a conditional denial for too much financial need. This letter is sent to applicants for whom there is concern about significant debt. When reviewing applications and making awards, The Scholarship Foundation expects a student will borrow no more than \$11,000 per year and that this debt will be covered by The Scholarship Foundation's interest-free, fee-free loan. Students who receive this letter are able to appeal this decision if they are able to secure additional grant or scholarship aid, have other resources available to help reduce their costs, or are willing to consider a college or university that is more affordable to **minimize debt burden**. **

How do you estimate my cost and financial need?

Financial need is defined as the difference between your Cost of Attendance (determined by your school), your Expected Family Contribution (EFC -determined by **FAFSA**) and grants/scholarships as awarded by your school's financial aid office. The amount of Financial Need you have determines what kind of financial aid you may receive. Please note that not all schools award up to a student's complete need.

The **Cost of Attendance** includes direct costs such as tuition, fees, room, board, books, supplies, and transportation. You may not receive financial aid (including loans) in excess of your Cost of Attendance.

The U.S. Department of Education calculates your **Expected Family Contribution** (EFC) based on the information you provide on your Free Application for Federal Student Aid (FAFSA). They compare your income and assets against standard cost of living allowances for the number of people in your household.

The Scholarship Foundation determines your eligibility for an interest-free loan using the same formula:

Item	Description	Example
Cost of Attendance	Tuition, fees, books, living expenses (room, board, transportation)* for one year.	\$26,000
Minus EFC	See above	\$ 3,000
Minus Grants/Scholarships	Awarded by your school's award letter and other organizations awarding you funds.	\$12,900
Unmet Need	Financial need not met by grants, EFC and subsidized loans.	\$ 10,100
Scholarship Foundation interest-free loan	Please read "What is a conditional denial for too much need?" above.¥	\$10,100

This is the formula used by all schools (described above)

The Scholarship Foundation adds these steps to determine your eligibility for an interest-free loan

*2016-17 standard cost used for dependent students: \$9,500; 2016-17 standard cost used for independent students: \$13,500. This amount is adjusted every year according to cost of living fluctuations.

¥ Keep in mind that all loans (with or without interest) are out-of-pocket expenses. You are borrowing and you will have to repay at some point.

**In the last five years, The Scholarship Foundation has become very concerned about the amount of debt students have been forced to take in order to graduate. Increased school costs and reduced financial aid have taken a toll on students' ability to gather all the necessary resources to attend school. For this reason, the Foundation has a strict policy on the way awards are done.

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