



THE JOHN MARSHALL LAW SCHOOL

Financial Aid Over Award Procedures

1. **Resolving an Over Award:** Federal regulation provides that a student who has obtained Stafford Loan amounts that exceed annual or aggregate loan limits is ineligible for further Title IV assistance. If the institution determines that the student inadvertently borrowed amounts in excess of their loan limit(s), the institution must allow that student the opportunity to regain their Title IV eligibility. The John Marshall Law School's Office of Financial Aid will address these situations on a case-by-case basis using the following guidelines:
 - a. **Reallocation:** If a student has a combination of both Unsubsidized Loans and Graduate PLUS Loans within an active aid year, JMLS will reallocate any overage of Unsubsidized Loan into a Graduate PLUS Loan to eliminate the excess borrowing of Unsubsidized Loans.
 - b. **Satisfactory Repayment Arrangements/Reaffirmation of Debt:** These arrangements are determined by the loan holder and may involve having the borrower sign a new promissory note acknowledging the debt and reaffirming the borrower's intention to repay the excess amount as part of the normal repayment process.
 - c. **Billing Student Account:** JMLS will bill the student account for the overage to regain student eligibility. Billing should be a last resort and must be completed in conjunction with the student's approval.
 - d. **Treatment of Consolidated Loans:** If a student has consolidated loans while the student was in an excess borrowing condition, JMLS will treat the consolidation as a "reasonable repayment arrangement" and allow the student to receive other Title IV aid eligibility. All loans in question must be listed under the consolidated loan and be in a consolidated status in NSLDS. When performing an aggregate review on individual loans that have been consolidated, capitalized interest does not count toward a student's aggregate limit.
 - e. **Borrower is no longer enrolled:** If a borrower is no longer enrolled at JMLS, JMLS will take no action to correct the excess borrowing condition. The student will be notified via email of the student's status.

- f. **Student has no other Title IV eligibility:** If a student is enrolled and has completed a FAFSA, and records indicate the student has borrowed the full aggregate Stafford Loan eligibility, the student is then ineligible for further Stafford loans and will be offered Graduate PLUS loans only.
- g. **Treatment of Supplemental Loan for Students (SLS):** Although not available since July 1994, SLS may still be found as outstanding on some student records; these loans should be treated as unsubsidized Stafford Loans.
- h. **Treatment of unallocated amounts:** The Department of Education has determined that schools are no longer responsible for determining the source of unallocated amounts. Typically, these amounts are due to capitalized interest, which does not count towards a student's aggregate limit.
- i. **We cannot correct excess borrowing that occurred at another school:** Students should be referred to that school or to the servicer/holder of the loan(s) for resolution.
- j. **Data discrepancies:** For students who have NSLDS records with reoccurring discrepancies, the student should contact the holder/servicer of loan to resolve the discrepancy.

2. Preventing an Over Award

- a. Before making summer loan offer, JMLS's Office of Financial Aid will review the borrowing history of each continuing summer aid applicant to prevent an over award. Checking the student's AIDE record will indicate whether it is necessary to review the student's complete borrowing history in NSLDS.
- b. Before processing a student's request to increase his or her Stafford Loan, the Office of Financial Aid will review the AIDE screen and/or NSLDS record to determine remaining eligibility.
- c. After annual packaging begins for continuing students, the Office of Financial Aid will review students who appear on the C Flag report to identify students whose current NSLDS balance, combined with their spring and/or summer loan, may put them over their aggregate limit.
- d. If the student is close to his or her borrowing limit staff will only post what the student is eligible to receive.
- e. If excess borrowing exists, the Office of Financial Aid will:

- i. Adjust and/or cancel the current year's spring and/or summer loans to bring the student within federal limits.
- ii. Adjust and/or cancel fall and/or spring loans if they will cause the student to exceed federal limits.
- iii. If records include additional unsubsidized loans due to PLUS denials, Office of Financial Aid staff will:
 - 1. Review JMLS Ellucian and the NSLDS records to determine if there are any additional unsubsidized loans due to PLUS denials.

Administrative policy adopted February 28, 2018; effective immediately.