“Education is the most powerful weapon which you can use to change the world.” - Nelson Mandela

A message from the Financial Aid Office

The Financial Aid Office would like to welcome you as you embark on your journey to learn, explore and succeed. We are honored to be a part of this critical step in your life and have put together this handbook to share with you the policies, procedures and resources that are available to you from the Financial Aid Office at AAU. All of our policies and procedures have been designed with you, the student, in mind so that you worry less about financing your education and focus more on advancing your education. Thank you and we look forward to discussing your graduation soon.

Mission Statement

The Financial Aid Office is committed to providing the funding means necessary to promote academic and financial student success. Through education, advisement and counseling students are empowered and provided with access to the funding necessary to pursue their educational and career goals. The Financial Aid Office is fully committed to having financially knowledgeable and successful AAU graduates and it is this commitment that underscores our daily functions.

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Types of Federal Student Aid Available

Federal Student Aid (FSA), also known as Federal Financial Aid, offers grant and loan programs administered by the U.S. Department of Education. AAU participates in the following grants and loans available through Federal Student Aid.

- Federal Grants
- Federal Direct Loans
- Iraq and Afghanistan Service Grant
- Federal Direct Plus Loans

Federal Pell Grants

A Federal Pell Grant, unlike a loan, does not have to be repaid. Pell Grants are awarded to undergraduate students who have not earned a bachelor's or a professional degree. Pell Grants are considered a foundation of Federal Student Aid, to which aid from other federal and nonfederal sources might be added.

The maximum Pell Grant award for the 2016-17 award year, (July 1, 2016 to June 30, 2017) is $5,815. The amount you receive will depend not only on your financial need, but also on your costs to attend school, your enrollment status, and your plans to attend school for a full academic year or less. Note: Students whose parent or guardian died as a result of military service in Iraq or Afghanistan after Sept. 11, 2001 are potentially eligible to receive an increased amount of Federal Student Aid if the student was under 24 years old or enrolled at an institution of higher education at the time of the parent or guardian's death.

Students can only receive the Pell Grant for up to 12 semesters or the equivalent.

The Pell grant amount awarded will depend on:

- Estimated Family Contribution (EFC)
- Cost of Attendance
- Enrollment Status

Pell Grant Disbursements

Pell grants are paid in installments over the course of a program of study. Pell funds are disbursed every semester according to student's enrollment status for the semester. For FSA purposes there are four enrollment statuses:

1. Full time: enrolled in a minimum of 12 semester credits in a semester.
2. Three-Quarter (3/4) time: enrolled in 9 but less than 12 semester credits in a semester.
3. Half (1/2) time: enrolled in 6 but less than 9 semester credits in a semester.
4. Less than half (1/2) time: enrolled in less than 6 credits in a semester.
Process

AAU’s academic year definition is 32 weeks, which is an equivalent to (2) 16 week semester. Students will have 2 payment periods and receive 2 disbursements in each session within a semester. AAU’s programs are all term based; therefore, we disbursed 4 times in an academic year. The break down is shown below and demonstrates that disbursements are received in a semester for a full time degree seeking student. Students are awarded based on their Full-time status, Half-time status or less than half-time. Please be advised, students that are less than half-time status are not eligible for Direct Stafford loans. Students who wish to utilize Stafford loans must be enrolled; half-time. If a student is not enrolled for session 2 at the time of disbursement, the Pell disbursement will be cancelled.

<table>
<thead>
<tr>
<th>1st Semester</th>
<th>2nd Semester</th>
</tr>
</thead>
<tbody>
<tr>
<td>Session 1</td>
<td>Session 2</td>
</tr>
<tr>
<td>8 weeks</td>
<td>8 weeks</td>
</tr>
<tr>
<td>PELL- Payment #1</td>
<td>PELL- Payment #2</td>
</tr>
<tr>
<td>SUB- Payment #1</td>
<td>SUB- Payment #2</td>
</tr>
<tr>
<td>UNSUB- Payment #1</td>
<td>UNSUB- Payment #2</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A full time student may be eligible to receive up to $5815 in Pell grant based on their Expected Family Contribution (EFC). First year students are eligible to receive $3500 of Direct Subsidized Stafford Loans and $6000 of Direct Unsubsidized Stafford Loans in an academic year.

All disbursement requests will be submitted after the student is confirmed to have met census for the semester. Census is taken one week after the semester start date.

Cross-Over Payment Periods

A cross-over payment period occurs when a payment period falls into two award years. When a cross-over payment period occurs, AAU will award the student based on the former award year. For example, if a student’s payment period begins May 7, 2016 and ends August 26, 2017 the student’s Pell Grant will be awarded from the 2014-2015 award year and not from the 2016-2017 Award Year, a student may not receive more than 100% of the scheduled award.

Transfer Students

The Pell amount for transfer students is based on the percentage of the scheduled award that was previously received. The student is only eligible for the remaining percentage of the scheduled award at AAU. Below are the steps in calculating the remaining Pell eligibility for Pell students.

1. Calculate the student’s award like any other student at AAU.
2. Identify Pell amounts student has previous received for the award year.
3. Determine the percentage of the award received (Pell disbursed at prior school ÷ Scheduled Award at prior school)
4. Determine the remaining percentage student is eligible for (100% - Percentage of award received).

Transfer students receive the same amount of payments as any other student (payments are not rationed) until 100% of the scheduled award is reached.
Books for Pell Eligible Students

All students are expected to purchase their books prior to their course(s) start date to ensure their success in the program. If you intend to use Federal Financial Aid funds to purchase your books, your admission representative will provide the FA Opt-In Book form. Or you may contact the Financial Aid Office to make arrangements. If you opt to have AAU send you your books, please note, the book fees will be entered as a charge on your AAU student account. The Financial Aid Office may arrange for the books of your first session course(s) to be made available to you no later than 7 days after the course start date.

Iraq and Afghanistan Service Grant

Students who have an EFC that is not Pell eligible and whose parent or guardian died as a result of military service in Iraq or Afghanistan after Sept.11, 2001 may be eligible for the Iraq and Afghanistan Service Grant (IASG) if the student was under 24 years old when the parent or guardian died, or enrolled at an institution of higher education at the time of the parent or guardian’s death.

The Iraq and Afghanistan Service Grant is made under the same terms and conditions as the Federal Pell Grant. Therefore, the maximum award for the 2016-17 award year (July 1, 2016 to June 30, 2017) is $5815. The amount you are awarded will depend on your costs to attend school, your enrollment status, and your plans to attend school for a full academic year or less. Funds will be disbursed each semester according to the student’s enrollment status for the semester.

Due to sequestration, award amounts for any Iraq and Afghanistan Service Grant that is first disbursed on or after Sept.11, 2014, and before Oct. 1, 2015, must be reduced by 7.3 percent from the award amount for which a recipient would otherwise have been entitled. Any Iraq and Afghanistan Service Grant that is first disbursed on or after Oct. 1, 2015, and before Oct. 1, 2016, must be reduced by 7.3 percent. For example:

- For any 2015-16 Iraq and Afghanistan Service Grant first disbursed on or after Oct. 1, 2014, and before Oct. 1, 2015, the maximum award of $5,775 is reduced by 7.2 percent ($421.57), resulting in a maximum award of $5,353.43.
- For any 2014-15 Iraq and Afghanistan Service Grant first disbursed on or after Oct. 1, 2015, and before Oct. 1, 2016, the maximum award amount of $5,775 is reduced by 7.3 percent ($392.70), resulting in a maximum award of $5,382.30.
Federal Direct Stafford Loans

Federal Direct Stafford Loans, also known as Direct Loans, are Federal Student Loans made directly available to college and university students and are used to supplement personal and family resources, scholarships and grants. They may be subsidized by the U.S. Government or may be unsubsidized depending on the student's financial need.

Federal Direct Stafford Loans include the following two types of loans:

Federal Direct Subsidized Stafford Loans: Direct Subsidized Loans are for students with financial need. They are awarded on the basis of the student's financial need and other specific eligibility requirements. AAU's Financial Aid Office will review the results of your Free Application for Federal Student Aid (FAFSA) and determine the amount you can borrow. The federal government does not charge interest on these loans while borrowers are enrolled at least half-time, during a six-month grace period, or during authorized periods of deferment. Repayment of subsidized loans begins six months after enrollment has ceased or dropped below half-time status.

Interest Rate on Direct Subsidized Loans
The interest rate on subsidized loans first disbursed to undergraduate students between July 1, 2016 and June 30, 2017 will be fixed at 3.76%.

To maintain eligibility for a subsidized loan a student:
- must have financial need (based on your FAFSA results)
- must be enrolled at least half-time
- must meet Satisfactory Academic Progress requirements
- may not exceed the annual or aggregate loan limits

Federal Direct Unsubsidized Stafford Loans: You are not required to demonstrate financial need to receive a Direct Unsubsidized Loan, but must meet specific eligibility requirements. Like subsidized loans, AAU’s Financial Aid Office will determine the amount you can borrow. Interest accrues (accumulates) on an unsubsidized loan from the time it's first paid out. Interest is charged throughout the life of the loan. You can pay the interest while you are in school and during grace periods and deferment or forbearance periods, or you can allow it to accrue and be capitalized (that is, added to the principal amount of your loan). If you choose not to pay the interest as it accrues, this will increase the total amount you have to repay because you will be charged interest on a higher principal amount. Repayment of unsubsidized loans begins six months after enrollment has ceased or dropped below half-time status.

Federal Direct Subsidized Student Loan 150 % Limitations: As of July 1, 2013, a first-time Federal Direct Subsidized Student Loan borrower is no longer eligible for the Subsidized Student Loan program if he or she exceeds 150% of the length necessary to graduate within their current degree program. In addition, under certain conditions, the provision also causes first-time borrowers who have exceeded the 150 percent limit to lose the interest subsidy on their Direct Subsidized Loans disbursed to the borrower on or after July 1, 2013. AAU encourages students to obtain their degrees within a reasonable time frame.
Example:

<table>
<thead>
<tr>
<th>Program Length</th>
<th>Maximum Eligibility Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-Year Bachelor’s Degree</td>
<td>6.00 Years</td>
</tr>
<tr>
<td>2-Year Associate’s Degree</td>
<td>3.00 Years</td>
</tr>
</tbody>
</table>

Credits /150% Rule = Actual Credit Completion Degree program length

a. Undergraduate degree programs at AAU requires 60 credits for completion.  
   60 credits X 150% = 90 maximum credits can be taken before the 150% rule is placed.

b. Graduate degree programs at AAU requires 124 credits for completion.  
   124 credits X 150% = 186 maximum credits can be taken before the 150% rule is placed.

**Interest Rate on Direct Unsubsidized Loans**
The interest rate on unsubsidized loans is fixed at 4.66% for all borrowers (undergraduate and graduate).

To maintain eligibility for an unsubsidized loan a student:
- must complete a FAFSA
- must be enrolled at least half-time
- must meet Satisfactory Academic Progress requirements
- may not exceed the annual or aggregate loan limits

### Federal Direct Subsidized/Unsubsidized Stafford Loans

<table>
<thead>
<tr>
<th>Year</th>
<th>Interest Rate Direct Subsidized Loan Undergraduate</th>
<th>Interest Rate Direct Unsubsidized Loan Undergraduate</th>
<th>Interest Rate Direct Subsidized or Unsubsidized Loans Graduate Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-2014</td>
<td>3.86%</td>
<td>3.86%</td>
<td>5.41%</td>
</tr>
<tr>
<td>2014-2015</td>
<td>4.66%</td>
<td>4.66%</td>
<td>6.21%</td>
</tr>
<tr>
<td>2015-2016</td>
<td>4.29%</td>
<td>4.29%</td>
<td>5.31%</td>
</tr>
</tbody>
</table>
### Sample Loan Repayment Schedules

#### Examples of Typical Direct Stafford Loan Repayments

<table>
<thead>
<tr>
<th>Initial Debt When you Enter Repayment</th>
<th>Standard (not to exceed 10 years)</th>
<th>Extended&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Graduated&lt;sup&gt;b&lt;/sup&gt;</th>
<th>Single</th>
<th>Married/HOH&lt;sup&gt;d&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per Month</td>
<td>Total Repaid</td>
<td>Per Month</td>
<td>Total Repaid</td>
<td>Per Month</td>
</tr>
<tr>
<td>$3,500</td>
<td>$50</td>
<td>$4,471</td>
<td>$25</td>
<td>$5,157</td>
<td>$27</td>
</tr>
<tr>
<td>$5,000</td>
<td>$58</td>
<td>$6,905</td>
<td>$40</td>
<td>$7,278</td>
<td>$38</td>
</tr>
<tr>
<td>$7,500</td>
<td>$83</td>
<td>$10,357</td>
<td>Not Available</td>
<td>$59</td>
<td>$10,919</td>
</tr>
<tr>
<td>$10,500</td>
<td>$121</td>
<td>$14,500</td>
<td>$83</td>
<td>$15,283</td>
<td>$80</td>
</tr>
<tr>
<td>$15,000</td>
<td>$173</td>
<td>$20,714</td>
<td>$119</td>
<td>$21,834</td>
<td>$114</td>
</tr>
<tr>
<td>$40,000</td>
<td>$460</td>
<td>$55,239</td>
<td>$277</td>
<td>$83,289</td>
<td>$316</td>
</tr>
</tbody>
</table>

Payments are calculated using the fixed interest rate of 6.31 percent for student borrowers.

a. This is an estimated monthly repayment amount for the first two years of the term and total loan payment. The monthly repayment amount will generally increase every two years, based on this plan.

b. Assumes a 5 percent annual growth (Census Bureau) and amounts were calculated using the formula requirements in effect during 2006.

c. Assumes an income of $25,000.

d. HOH is Head of Household. Assumes a family size of two.
Borrower Requirements

In order to receive federal student loans, you must meet certain requirements. The Department of Education has created a website (www.studentloans.gov) to manage borrower requirements and provide valuable information regarding federal student loans. The three items listed below are required from all student loan borrowers.

- **Entrance Counseling**
  To ensure that you understand your rights and responsibilities as a student loan borrower, the Federal Government requires you to participate in loan counseling prior to receiving a Direct Loan, if you have not previously received a Direct Loan, Federal Family Education Loan or Supplemental Loans to Students (SLS) Loan. You must complete entrance counseling before receiving your first Direct Loan disbursement at AAU. Entrance Counseling may be completed at www.studentloans.gov. Your Federal PIN is required in order to complete the Entrance Counseling.

- **Sign Master Promissory Note (MPN)**
  The Master Promissory Note, commonly referred to as MPN, is a document that must be signed in order to receive a federal student loan. The signed MPN binds you to the federal government as a promise to repay the student loan you intend to take out to help cover your educational expenses. The MPN provides valuable information about the rights and responsibilities you have as a borrower. You must sign an MPN before receiving your first Direct Loan disbursement at AAU. An MPN may be signed at www.studentloans.gov.

- **Exit Counseling**
  Prior to graduating, leaving school, or dropping below half time status, Direct Loan borrowers must complete exit counseling. The Direct Loan Exit Counseling will explain your rights and responsibilities as a Direct Loan Borrower. Your Federal PIN is required in order to complete the Exit Counseling because your personal loan information will be provided. Exit Counseling may be completed at www.nslds.ed.gov.
**Annual and Aggregate Loan Limits**

The amount of federal student loans a student may borrow is dependent on many factors including their grade level, dependency status and federal loan limits. The following chart provides maximum annual and aggregate (total) loan limits for subsidized and unsubsidized Direct Loans.

<table>
<thead>
<tr>
<th>Year</th>
<th>Dependent Undergraduate Student (except students whose parents are unable to obtain PLUS Loans)</th>
<th>Independent Undergraduate Student (and dependent students whose parents are unable to obtain PLUS Loans)</th>
<th>Graduate and Professional Degree Student</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First Year</strong></td>
<td>$5,500—No more than $3,500 of this amount may be in subsidized loans.</td>
<td>$9,500—No more than $3,500 of this amount may be in subsidized loans.</td>
<td>$20,500—No more than $8,500 of this amount may be in subsidized loans.</td>
</tr>
<tr>
<td><strong>Second Year</strong></td>
<td>$6,500—No more than $4,500 of this amount may be in subsidized loans.</td>
<td>$10,500—No more than $4,500 of this amount may be in subsidized loans.</td>
<td></td>
</tr>
<tr>
<td><strong>Third and Beyond (each year)</strong></td>
<td>$7,500—No more than $5,500 of this amount may be in subsidized loans.</td>
<td>$12,500—No more than $5,500 of this amount may be in subsidized loans.</td>
<td></td>
</tr>
<tr>
<td><strong>Maximum Total Debt from Stafford Loans When You Graduate (aggregate loan limits)</strong></td>
<td>$31,000—No more than $23,000 of this amount may be in subsidized loans.</td>
<td>$57,500—No more than $23,000 of this amount may be in subsidized loans.</td>
<td>$138,500—No more than $65,500 of this amount may be in subsidized loans. The graduate debt limit includes Stafford Loans received for undergraduate study.</td>
</tr>
</tbody>
</table>

Note: These annual loan limit amounts are the maximum yearly amounts you can borrow in both subsidized and unsubsidized Direct Loans. You can have one type of loan or a combination of both. Because you can't borrow more than your cost of attendance minus any other financial aid you'll get, you may receive less than the annual maximum amounts. Also, the annual loan limits assume that your program of study is at least a full academic year.

**Loan Disbursement Schedule**

Loans are disbursed thirty days after the semester begins.

All Disbursement requests will be submitted to COD by the first Monday after 30 days of the semester have elapsed.

If the student has not completed academic work for the prior payment period, payments may be delayed. The Financial Aid Office will notify the Business Office of any payments that need to be delayed.

A second disbursement may not be made until the calendar midpoint between the first and last days of the loan period, and only if the student has completed half of the academic coursework in the loan period. When the loan period is one payment period, students will receive two disbursements during that payment period. The second disbursement will be made no sooner than 30 days into the second session.
**Origination Fee**

Students who accept and are disbursed Direct Stafford Loans will be charged an origination fee by the Department. These origination fees will be deducted before each disbursement. All Direct Subsidized and Unsubsidized loans disbursed on or after December 1st, 2013 will include an origination fee of 1.07 percent. The Financial Aid Office will calculate the origination fee before each student receives an award letter. An award letter will include the total gross loan amount. The gross loan award amount is the amount the student will have to repay. Students who are disbursed Direct Stafford Loans will be responsible for repaying the origination fee and the disbursed loan amount(s).

**Federal Student Loan Deferment**

A deferment is a period of time during which your loan holder suspends your regular loan payments. Students who are enrolled at least half-time at AAU and whose student loans have gone into repayment may wish to seek an In School Deferment. Borrowers should contact their loan servicer for the appropriate deferment form and submit the form to the Registrar for certification. It is the student’s responsibility to ensure that the deferment request is processed by their loan servicer.

**Refusing to Originate/Certify a Loan**

AAU and the Financial Aid Office reserves the right to refuse to originate and/or certify a Direct Stafford loan or may reduce the loan amount. Such decision is made on a case-by-case basis and they must involve the respective directors of the Admissions Office, Student Affairs, Compliance and the Financial Aid Office. The borrower will be notified in writing of the reason for the decision and documentation will be kept by the Financial Aid Office.

**Federal Direct PLUS Loans for Parents**

Parents of dependent students may apply for a Direct PLUS Loan to help pay for their child’s education expenses as long as certain eligibility requirements are met.

To be eligible for a Direct PLUS Loan for Parents:

- The parent borrower must be the student’s biological or adoptive parent. In some cases, the student’s stepparent may be eligible.
- The student must be a dependent student who is enrolled at least half-time. Generally, a student is considered dependent if he or she is under 24 years of age, has no dependents, and is not married, a veteran, a graduate or professional degree student, or a ward of the court.
- The parent borrower must not have an adverse credit history (a credit check will be performed). If the parent’s credit is not approved, the parent may still receive a loan if someone (such as a friend or relative) whose credit is approved agrees to endorse the loan. The endorser promises to pay the loan if the parent fails to do so.
• The student and parent must be U.S. citizens or eligible noncitizens, must not be in default on any federal education loans or owe an overpayment on a federal education grant, and must meet other general eligibility requirements for the federal student aid programs.

**Interest Rate on Direct PLUS Loans**
The interest rate is fixed at 6.31%. Interest is charged from the date of the first disbursement until the loan is paid in full.

Interest rate cap for military members – If a parent qualifies under the Service Members Civil Relief Act, the interest rate on loans obtained before entering military service may be capped at 6% during the parent’s military service. Parents must contact their loan servicer to request this benefit.

**Borrower Requirements**
Parents of dependent students who wish to seek a Direct PLUS loan must complete a Direct PLUS Loan Request and Master Promissory Note (MPN) on [www.studentloans.gov](http://www.studentloans.gov). The MPN is a legal document in which the borrower promises to repay the loan and any accrued interest and fees to the Department. It also explains the terms and conditions of the loan. In most cases, one MPN can be used for loans that a parent receives over multiple academic years although a separate Direct PLUS Loan Request must be filed for each academic school year.

**Annual Loan Limits**
The annual loan limit on a Direct PLUS loan is equal to the student’s cost of attendance minus any other financial aid the student receives.

**Disbursement Schedule**
Loans are disbursed thirty days after the semester begins.

All Disbursement requests will be submitted to COD by the first Monday after 30 days of the semester have elapsed.

If the student has not completed academic work for the prior payment period, payments may be delayed. The Financial Aid Office will notify the Business Office of any payments that need to be delayed.

A second disbursement may not be made until the calendar midpoint between the first and last days of the loan period, and only if the student has completed half of the academic coursework in the loan period. When the loan period is one payment period, students will receive two disbursements during that payment period. The second disbursement will be made no sooner than 30 days into the second session.

**Loan Fee**
Parents who are approved and accept a Direct PLUS loan will pay a fee of 4% of the loan amount, deducted proportionately each time a loan disbursement is made.

**Direct PLUS Loan Repayment**
The repayment period for a Direct PLUS loan begins at the time the PLUS loan is fully disbursed, and the first payment is due within 60 days after the final disbursement. However, for Direct PLUS loans with a first disbursement date on or after July 1, 2008, the parent may defer repayment:
• while the student on whose behalf the parent borrowed the loan is enrolled on at least a half-time basis, and
• for an additional six months after the student ceases to be enrolled at least half-time.

Direct PLUS Loan Deferment
For Direct PLUS loans with a first disbursement date on or after July 1, 2008, the parent may defer repayment:
• while the student on whose behalf the parent borrowed the loan is enrolled on at least a half-time basis, and
• for an additional six months after the student ceases to be enrolled at least half-time.

Loan Counseling

Loan Entrance/Exit Counseling (Required)
Before receiving a student loan, borrowers must complete an entrance counseling session. Loan entrance counseling provides information to students concerning how to manage student loans, both during and after college. Exit Counseling is generally required once a direct loan borrower drops below half-time enrollment status, withdraws or graduates. The student must notify the AAU Financial Aid Office prior to withdrawal or graduation for loan counseling. The purpose of loan exit counseling is to inform the student of their tentative total loans received while in attendance at AAU and to provide the student with an estimated payment schedule. Every loan counseling session will be documented in the student’s record by the Financial Aid Office.

Successful completion of entrance and exit counseling will consist of the following two parts:
1. Students must complete entrance counseling on the studentloans.gov website before receiving their first Direct Loan disbursement at AAU.
2. Students must complete exit counseling on the studentloans.gov website prior to graduating, withdrawing or dropping below half time enrollment status. The Financial Aid Office will e-mail the student the Exit Counseling for Federal Student Loan Borrowers booklet no later than 30 days from the last date of attendance if the student does not electronically complete the online exit counseling.

The Financial Aid Office is responsible for verifying a student’s completion of counseling. Receipt of this information will be documented in the student’s record.

Borrower Rights & Responsibilities
When a student takes on a student loan he/she has certain rights and responsibilities.

The borrower has the right to receive the following information before the first loan disbursement:
• The full amount of the loan
• The interest rate
• When the borrower must start repaying the loan
• The effect borrowing will have on the student's eligibility for other types of financial aid
• A complete list of any charges the student must pay (loan fees) and information on how those charges are collected
• The yearly and total amounts the student can borrow
• The maximum repayment periods and the minimum repayment amount
• An explanation of default and its consequences
• An explanation of available options for consolidating or refinancing the student loan
• A statement that the student can prepay the loan at any time without penalty

The borrower has the right to receive the following information before leaving school:
• The amount of the student's total debt (principal and estimated interest), what the student's interest rate is, and the total interest charges on the loan(s)
- A loan repayment schedule that lets the student know when his/her first payment is due, the number and frequency of payments, and the amount of each payment
- The fees the student should expect during the repayment period, such as late charges and collection or litigation costs if delinquent or in default
- An explanation of available options for consolidating or refinancing the student's loan
- A statement that the student can repay his/her loan without penalty at any time

The borrower has a responsibility to do the following:
- Understand that by signing the promissory note, the student is agreeing to repay the loan according to the terms of the note
- Make payments on the student loan even if the student does not receive a bill or repayment notice
- If the student applies for a deferment or forbearance, he/she must still continue to make payments until notification that the request has been granted
- Notify the appropriate representative (institution, agency, or servicer) that manages the student's loan when the student graduates, withdraws from school, or drops below half-time status; changes his/her name, address, or Social Security Number, or transfers to another institution
- Receive entrance counseling before being given the first loan disbursement, and to receive exit counseling before leaving school

Federal Student Aid Eligibility

To receive Federal Student Aid, you must meet certain requirements. You must:
- Be a U.S. citizen or eligible non-citizen.
- Have a valid Social Security Number (unless you're from the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau).
- Be registered with Selective Service if you are male and 18 to 25 years of age (go to www.sss.gov for more information).
- Have a high school diploma or a General Education Development (GED) Certificate or pass an exam approved by the U.S. Department of Education.
- Be enrolled or accepted for enrollment as a regular student working toward a degree or certificate in an eligible Federal Student Aid program at AAU*.
- Not have a drug conviction for an offense that occurred while you were receiving Federal Student Aid (such as grants, loans, or federal work-study).
- Not owe a refund on a federal grant or be in default on a federal student loan.
- Demonstrate financial need (except for unsubsidized Stafford Loans).

A student must be enrolled and actively attending their courses in order to be eligible for FSA benefits. Please refer to the Attendance Policy within the Catalog for more information.

* Non-degree seeking students and students enrolled in the Associate of Arts in General Studies or Bachelor of Arts in General Studies are not eligible for financial aid.

Other requirements may apply. Contact AAU's Financial Aid Office for more information.

Eligible Federal Student Aid Degree Programs

Allied American University offers six eligible Federal Student Aid degree programs:
- Associate of Science in Business Administration
- Bachelor of Science in Business Administration
- Associate of Science in Computer Information Systems
- Bachelor of Science in Computer Information Systems
- Associate of Science in Criminal Justice
- Bachelor of Science in Criminal Justice
Drug Conviction

Students who have been convicted of possession or sale of drugs while receiving Federal Student Aid may be ineligible for Federal Student Aid. If it is determined that a student is ineligible for Federal Student Aid due to a drug conviction, the Financial Aid Office will inform the student in writing of their ineligibility and the methods of reestablishing eligibility.

The following chart illustrates the period of ineligibility for FSA funds:

<table>
<thead>
<tr>
<th></th>
<th>Possession of Illegal Drugs</th>
<th>Sale of Illegal Drugs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Offense</td>
<td>1 year from date of conviction</td>
<td>2 years from date of conviction</td>
</tr>
<tr>
<td>2nd Offense</td>
<td>2 years from date of conviction</td>
<td>Indefinite period</td>
</tr>
<tr>
<td>3+ Offenses</td>
<td>Indefinite period</td>
<td></td>
</tr>
</tbody>
</table>

If a student was convicted of both possession and selling illegal drugs, the student will be ineligible for the longer period. The student regains eligibility the day after the period of ineligibility ends or when they successfully complete a qualified drug rehabilitation program or pass two unannounced drug tests given by such a program. A student is eligible for Federal Student Aid if a conviction was reversed, set aside, removed from a student’s record, or if the student was convicted as a juvenile. Conflicting information within a student file will require the student to submit documented proof of their drug conviction status.

Applying for Federal Student Aid

The Financial Aid Office at AAU administers federal funds such as Pell Grants and Direct Loans to ensure that you obtain the financial assistance you need to continue your education. Federal Student Aid from the U.S. Department of Education is the largest source of aid in America and we encourage students to apply. Students must complete a Free Application for Federal Student Aid (FAFSA) every academic year to be considered for financial aid. The following steps are meant to help you get started in applying for financial aid. Please do not hesitate to call the Financial Aid Office if you need assistance.

Step 1: Obtain FSA ID

The FSA ID replaced the Federal Student Aid PIN on May 10, 2015. If you haven’t logged in to a Federal Student Aid site (such as fafsa.gov or StudentLoans.gov) since May 10, you will need to create an FSA ID before you can log on in the future.

The FSA ID process consists of three main steps:

1. Enter your log-information.
2. Provide your e-mail address, a unique username, and password, and verify that you are at least 13 years of old.
3. Enter your personal information
4. Submit your FSA ID information
5. Agree to the terms and conditions.

Verify your e-mail address. (This is optional, but helpful. By verifying your e-mail address, you can use your e-mail address as your username when logging into certain ED websites. This verification also allows you to retrieve your username or reset your password without answering challenge questions.)
Step 2: File a FAFSA
Complete, sign and submit the FAFSA. The FAFSA may be completed electronically at www.fafsa.ed.gov. Please be certain to include AAU’s Federal School Code 041893 on your FAFSA for the application data to be sent to AAU.

Students must re-apply for financial aid each award year.

Step 3: Additional Documentation
Monitor your email for important notifications concerning your financial aid status. You will be notified in writing by the Financial Aid Office if additional documentation is required from you.

Step 4: Awarding Financial Aid
Financial Aid is awarded by academic year. The Financial Aid Office will produce an award letter which will outline a student’s financial aid eligibility.

Awarding Federal Student Aid

Student Aid Report
Once a student completes the FAFSA, they will receive a Student Aid Report (SAR) that summarizes the data from the FAFSA and determines the student’s official Expected Family Contribution (EFC).

Receiving your SAR
- You will receive a copy of your SAR within a few days of submitting the FAFSA if an email address was supplied on the FAFSA. The email will contain a secure link to access your SAR online.
- If an email address was not provided on the FAFSA, you will receive a paper copy of your SAR in the mail approximately four weeks from the date the FAFSA was submitted.
- If additional information is needed from you, the EFC may not appear on the SAR.

Reviewing your SAR
After receiving your SAR, carefully review the information for mistakes. If you believe your information is incorrect, you may fix any mistakes by accessing your FAFSA using your federal PIN and making the appropriate corrections. You may also fix any mistakes by writing the correct answers on the Information Review Form located on the back of the SAR. Once the Information Review Form is complete, you can mail the form to the address designated on the SAR.

Determining Need
The Financial Aid Office will determine the amount of need-based aid in which a student is eligible to receive by using the following formula:

\[ \text{COA} - \text{EFC} = \text{Need} \]

Cost of Attendance (COA)
The Cost of Attendance (COA) is the total amount needed to attend college each year. Each school determines its annual average COA using a formula established by Congress. A student’s eligibility for financial aid will not be based on individual preferences and spending habits, but rather on standard budget allowances.

A student’s cost of attendance will include:
- Tuition and fees
- Books, supplies, loan fees and miscellaneous personal expenses
- Room and board expenses
- Dependent care
- Costs related to disability
The cost of attendance for students attending AAU does include expenses related to the direct and indirect costs students may incur. The figure used to determine the indirect cost allowance is the national average obtained research done by CollegeBoard.

The following standard costs will be applied to all students seeking an eligible Title IV Degree when determining the cost of attendance:

<table>
<thead>
<tr>
<th>Cost of Attendance / PMT Period</th>
<th>Living On Own</th>
<th>Living with Parent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
<td>$7440</td>
<td>$7,440</td>
</tr>
<tr>
<td>Books</td>
<td>$500</td>
<td>$500</td>
</tr>
<tr>
<td>Room &amp; Board</td>
<td>$8,352</td>
<td>$2,008</td>
</tr>
<tr>
<td>Misc/Personal</td>
<td>$4,480</td>
<td>$4,480</td>
</tr>
</tbody>
</table>

For tuition, the actual costs will be used as published on the course catalog. Book cost will represent an average and will vary proportionately depending on enrollment status (full time, ¾ time, ½ time or ¼ time). Room & Board is dependent on whether a student is living on their own or with their parents in both cases the amount represents an average. Students with dependent care costs and/or disabilities may have a higher COA due to additional expenses. These additional expenses will be allocated under the miscellaneous category and will vary on a case by case basis. Students must submit documentation to support a higher COA.

Cost of attendance is reviewed annually by the Financial Aid Office to maintain relevance and accuracy. CollegeBoard data is used to determine Room and Board and Miscellaneous fees.

The terms cost of attendance (COA), budget, and cost of education are synonymous.

**Student Award**

Student award amounts will be based on their financial need. The Financial Aid Office will package the students every academic year assuming full-time enrollment status. Pell grants are the first source of aid for AAU students, and packaging FSA funds begins with their Pell eligibility. A student’s need for a subsidized Direct loan will then be determined. Estimated financial assistance (EFA) will be considered when determining a student’s need for a subsidized Direct loan.

Need – EFA = Unmet need

A student who has a remaining unmet need after being awarded a subsidized Direct loan may be awarded an unsubsidized Direct loan in the amount of the unmet need. A student’s EFC may also be replaced with an unsubsidized loan. Loan amounts must not exceed the annual and aggregate loan limits and student awards may not exceed a students cost of attendance.

**Source of Aid Order**

1. Pell Grant
2. Subsidized Direct Loans
3. Unsubsidized Direct Loans

Direct PLUS loan eligibility for Dependent students whose parents have requested and been
approved for a Direct PLUS loan will be awarded after all other aid award amounts have been determined. The annual loan limit on a Direct PLUS loan is equal to the student’s COA minus any other financial aid the student receives. A Direct PLUS loan will not be made for more than what the borrower/parent requests.

Upon the Financial Aid Office determining eligibility, students will be e-mailed an award letter detailing their eligible award amounts. Instructions on how to accept the awards will be included.

**Prior Year Charges**

Federal Financial Aid funds may only be used to pay for the student’s costs for the current year, unless prior year charges are less than $200. The student’s current year is the loan period for which a Direct Loan was originated or certified. If a Direct Loan was not originated or certified for the student the current year is the award year.  

**Verification**

AAU must check the accuracy of all applications the Central Processing System (CPS) selects for verification. The CPS will select applicants for verification due to edit checks which identify inconsistencies or potential errors, as well as randomly selected applicants identified for verification. AAU must also verify any application information that it has reason to believe is incorrect or discrepant. If the CPS selects an application for verification, it is required that AAU verifies five major data elements:

- Household size
- Number enrolled in college
- Adjusted gross income (AGI)
- U.S. income tax paid
- Certain untaxed income and benefits
  - Social Security Benefits
  - Child Support Received
  - IRA/Keogh deductions
  - Foreign income exclusion
  - Earned income credit
  - Interest on tax free bonds
  - Welfare benefits including TANF

Students selected for verification are notified with instructions regarding the documents that should be submitted to AAU within ten days. The file is held on a pending status and no award will be made until the requested documentation has been received and reviewed. Exceptions may be granted for students that are only eligible for unsubsidized Stafford loans, and PLUS loans as these applications do not have to be verified.

**Verification Requirements – Students must receive:**

a. Documents required
b. Student responsibilities: procedures/deadlines/consequences
c. Notification methods: how they will know the impact on their awards.

The data reported on the verification worksheet, federal tax returns(transcripts), and other supporting documentation provided is checked against the appropriate data elements on the Institutional Student Information Record (ISIR).

Generally speaking, when the new information conflicts with the original information presented on the FAFSA, corrections, updates, and adjustments may need to be made and a new expected family contribution (EFC) must be calculated. The new EFC will be calculated by CPS when
adjustments are made to a students FAFSA data. The updated ISIR will inform the Financial Aid Office of the new EFC.

**Verification Deadline**

For purposes of the Federal Pell Grant program students selected for verification from the 2016-2017 Award Year must complete the verification process no later than 120 days after a students last day of attendance or September 26, 2017, whichever is sooner. Direct Loan applicants selected for verification must also complete the verification process by the deadline above. Verification is complete when the Financial Aid Office has all the requested documentation. Also, for Pell grants, the student or University must have corrected any errors or shown that the information is correct, and must have a valid correct ISIR or SAR by the deadline published in the Federal Register. For Stafford loan funds, the Financial Aid Office must have an ISIR or SAR with an official EFC that shows the application data were processed through CPS at least once while the student was enrolled.

If a student fails to provide the required documentation by the deadline:

- AAU must not disburse additional Pell funds to the student.
- AAU must not disburse Stafford loan funds to the student or originate a Stafford loan application.
- AAU must return to the Department of Education any undisbursed Stafford loan money.
- the student must return any Pell funds disbursed to him/her prior to being selected for verification.

Please note verification is not required for students only eligible for unsubsidized Direct Stafford Loans or the Iraq and Afghanistan Service Grant.

**Satisfactory Academic Progress (SAP)**

*Satisfactory Academic Progress (SAP) Policy*

Students may view our SAP Policy by accessing the latest version of our school catalog. You may access the latest version of the school catalog by clicking here or by visiting www.allied.edu.

**Institutional Student Financial Assistance**

**AAU Textbook Grant**

The AAU textbook grant is available for all active duty military and veteran students. Students who are eligible for the AAU textbook grant will be provided with the required textbooks and course materials for registered courses. Repeated courses are not eligible for the AAU textbook grant. Student’s should note that if a new version is in effect at the time the student wishes to enroll in the course again, new course materials would need to be obtained at the student’s expense.
Tuition and Fee Schedule

Students may view our Tuition and Fee Schedule by accessing the latest version of our school catalog. You may access the latest version of the school catalog by clicking here or by visiting www.allied.edu.

Cancellation, Withdrawal and Refund Policy

Students may view our Cancellation, Withdrawal and Refund Policy by accessing the latest version of our school catalog. You may access the latest version of the school catalog by clicking here or by visiting www.allied.edu.

Academic Calendar

Students may view our Academic Calendar by accessing the latest version of our school catalog. You may access the latest version of the school catalog by clicking here or by visiting www.allied.edu.

Enrollment Status

Allied American University has an academic calendar consisting of 16-week semesters. Within each semester, courses are offered in eight-week terms. A student’s enrollment status is determined by the total amount of semester credits in which they are enrolled.

Enrollment Status Chart

<table>
<thead>
<tr>
<th>Enrollment Status</th>
<th>Semester Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>12-15</td>
</tr>
<tr>
<td>Three-Quarter Time (3/4)</td>
<td>9-11</td>
</tr>
<tr>
<td>Half-Time (1/2)</td>
<td>6-8</td>
</tr>
<tr>
<td>Less than Half-Time</td>
<td>Less than 6</td>
</tr>
</tbody>
</table>

Please refer to the Enrollment Status section within the catalog for more information.
Payment Programs

Students may view our Payment Plan options by accessing the latest version of our school catalog. You may access the latest version of the school catalog by clicking here or by visiting www.allied.edu.

Financial Assistance

Qualified AAU students may be eligible for institutional loans, military tuition assistance, military Veteran education benefits tuition discounts, and employee reimbursement plans to finance their education.

Tuition Assistance for Military Students

Most active-duty military personnel, along with Army Reservists and Army National Guard members, qualify for their branch’s Tuition Assistance program. In most cases, eligible personnel who enroll have no out-of-pocket expenses due to AAU’s affordable tuition, no additional cost for textbooks and zero fees policy. For questions about eligibility, please contact the base education office for details.

Veterans Education Benefits

Certain VA Education Benefit programs will pay the school directly up to a maximum of 100% for tuition and fees. For more information on which VA Education Benefit program may pay your tuition and fees directly to the school please visit www.gibill.va.gov.

If a student is using VA education benefit funding to pay for any or all of his/her course tuition and fees the student will be held financially responsible for any debt accumulated as a result of VA benefit application denial, or failure on the part of the student not properly notifying the School Certifying Official of his/her VA education benefit status.

Employer Tuition Reimbursement

Distance education is a convenient and affordable corporate training resource for employers. Your company human resources department will have information about their tuition reimbursement benefits and how to apply.

Scholarship Opportunities

The following are Allied American University approved scholarship opportunities. Students are encouraged to apply to as many of these programs they qualify for. Please note: it is the student’s responsibility to provide any and all information required by the organizations offering the scholarships.

GPA Isn’t Everything Scholarship - $1,000

CKSF Scholarships
http://www.cksf.org

Education Exchange College Grant Program

Discus Awards College Scholarships
http://www.dicusawards.com
$20,000 Sweet-Diggity-Dawg Scholarship

Discover Scholarship Program
http://www.discoverfinancial.com/community/scholarship.shtml

Sam Walton Community Scholarship
http://www.act.org/walmart/community

Davis-Putter Scholarship Fund
administrator@davisputter.org

Executive Women International Scholarship Program

Association on American Indian Affairs (AllA) Displaced Homemaker Scholarship
http://www.indian-affairs.org/scholarships/displaced_homemakers.htm

Scholarships4Mom $10,000 Scholarship
www.scholarships4moms.net
CoffeeForLess.com Hit the Books Scholarship
http://www.coffeeforless.com/scholarship.asp

American Fire Sprinkler Association Scholarship Program
http://www.afsascholarship.org

Ron Brown Scholarship Program
www.ronbrown.org

Ronald Reagan College Leaders Scholarship Program
http://www.thephillipsfoundation.org/index.php?q=node/3

FiSCA National Scholarship Program
http://www.fisca.org/Content/NavigationMenu/CommunityOutreach/FiSCANationalScholarshipProgram/default.htm

Coca-Cola Scholarship Program
https://www.coca-colascholars.org/cokeWeb/page.jsp?navigation=15

RMHC® U.S. Scholarship
http://rmhc.org/assets/FINALRMHCScholarshipApplication20092010.pdf

RMHC® / HACER Scholarship
http://rmhc.org/assets/FINALRMHCCHACERAPPLICATION20092010.pdf

Shout It Out Scholarship
http://www.scholarshipexperts.com/apply.htm

Education Matters 5K Scholarship
http://www.scholarshipexperts.com/apply.htm
$1,000 Superpower Scholarship
http://www.scholarshipexperts.com/apply.htm

“All About Education” Scholarship
http://www.scholarshipexperts.com/apply.htm
The Big Dig Scholarship
http://www.antiquetrader.tv/studentscholarship.php
USA Funds Access to Education Scholarship
https://www.usafunds.org/planning/access_to_education_scholarship/index.htm

Second Chance Scholarship Contest
http://www.afsascholarship.org/secondchanceinformation.html

MasterCard Scholarship Program
http://hsf.net/en/scholarships/programs/

Top Ten List Scholarship
http://www.scholarshipexperts.com/apply.hlx
#topten

American Indian College Fund (Special Scholarship Program)
http://www.collegefund.org/scholarships/main.htm
University Faculty and Qualifications

Please refer to the Catalog for the list of AAU Faculty members and their corresponding qualifications.

Available Programs

Please refer to the Catalog for available programs offered at AAU.

Accreditation and State Approval

Please refer to the Catalog for accreditation and state approval information.

Graduation Rates

Please refer to the fact sheets found on the AAU website or by clicking here.

Student Body Diversity (2014)

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>432</td>
<td>243</td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td>27</td>
<td>20</td>
</tr>
<tr>
<td>Asian</td>
<td>54</td>
<td>30</td>
</tr>
<tr>
<td>Black or African American</td>
<td>594</td>
<td>477</td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td>26</td>
<td>16</td>
</tr>
<tr>
<td>White</td>
<td>1620</td>
<td>723</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>72</td>
<td>58</td>
</tr>
<tr>
<td>Race or Ethnicity Unknown</td>
<td>127</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>Total Men 2,952</td>
<td>Total Women 1,615</td>
</tr>
</tbody>
</table>

Total Students for 2014 4,567

AAU has recently been approved to offer Title IV aid. Therefore, AAU did not have any Pell Grant recipients in the 2010-2011 Award Year.

Academic Honesty

Please refer to the Catalog for the Academic Honesty policy.

Copyright Infringement Policy

Copyright infringement is the act of exercising, without permission or legal authority, one or more of the exclusive rights granted to the copyright owner under Section 106 of the Copyright Act (Title 17 of the United States Code). These rights include the right to reproduce or distribute a copyrighted work. In the file-sharing context, downloading or uploading substantial parts of a copyrighted work without authority constitutes an infringement.
Copyright Infringement Deterrent Plan

Allied American University responds promptly to notices or letters of illegal copyright infringement based on the requirements of the Digital Millennium Copyright Act. Both our Information Technology and Compliance departments will investigate and respond to any notice. If you believe that any material on any of AAU's websites infringes upon any copyright which you own or control, you or your designee, may send a notification of such claimed infringement to our Designated Agent as set forth below:

Dr. Chelsea Hansen, Provost
22952 Alcalde Drive, Laguna Hills CA 92653
Telephone Number: 888-384-0849
E-Mail Address: Chansen@allied.edu

Upon receipt of a valid notification, the University will remove or disable access to such material and give notice of a claim of copyright infringement to the user or subscriber who authored the claimed infringing content by means of any one or more of the following methods at the University's sole option: a general notice on AAU's website, electronic mail to the content provider's email address in our records, or by written communication sent by first-class mail to such user's postal address in our records.

Summary of Penalties

Penalties for copyright infringement include civil and criminal penalties. In general, anyone found liable for civil copyright infringement may be ordered to pay either actual damages or "statutory" damages affixed at not less than $750 and not more than $30,000 per work infringed. For "willful" infringement, a court may award up to $150,000 per work infringed. A court can, in its discretion, also assess costs and attorney fees. For details, see Title 17, United States Code, Sections 504, 505. Willful copyright infringement can also result in criminal penalties, including imprisonment of up to five years and fines of up to $250,000 per offense.

For more information, please see the Web site of the U.S. Copyright Office at www.copyright.gov, especially their FAQ's at www.copyright.gov/help/faq.

The University may terminate or limit access to users who are deemed to be in violation of copyright laws. In addition, student's who are found to have participated in the unauthorized distribution of copyrighted material or other forms of copyright infringement will be subject to the consequences in accordance with the Student Code of Conduct found in the University Catalog.
Annual Disclosure and Education
Consistent with our mission statement, combating illegal sharing of copyrighted material is an integral part of creating a true academic culture. We strive to empower students by informing them and our community about the law and our internal response to copyright infringement claims:

- All students are notified annually and have access to the catalog which contains our Copyright Infringement Policy.
- Students are encouraged to submit DMCA notices to our Designated Agent specified herein.

Alternatives to Illegal File Sharing
The Higher Education Opportunity Act requires all colleges and universities to offer legal alternatives to unauthorized downloading. Although we cannot maintain an up-to-date list of alternatives we direct students to the Educause list which offers legal sources of online content. Students will find a list that includes legitimate online services; however, AAU does not endorse or evaluate these external sites.

To access legal sources of online content visit:

http://www.educause.edu/Resources/Browse/LegalDownloading/33381.

Periodic Effectiveness Assessment
Allied American University will review this plan each year to insure it is current and maintains the appropriate and necessary information to effectively combat illegal file sharing, in addition to updating the methods employed as new technological deterrents become available. Part of the review will include the assessment of the number of legitimate infringement notices received.

Source Dear Colleague Letter Gen-10-08

Credit Transfer Policy
Students may view our Credit Transfer Policy by accessing the latest version of our school catalog. You may access the latest version of the school catalog by clicking here or by visiting www.allied.edu.

Family Educational Rights and Privacy Act (FERPA)
Students may view our FERPA Policy by accessing the latest version of our school catalog. You may access the latest version of the school catalog by clicking here or by visiting www.allied.edu.

Drug and Alcohol Prevention Policy

Substance Abuse
Allied Business Schools (Allied Business Schools refers to ABS, AAU and ANHS) is firmly committed to providing a safe, healthy working environment for all employees, students and faculty. Consistent with this commitment, Allied Business Schools has strengthened its stand against drug and alcohol use. In compliance with section 120(a) through (d) of The Higher Education Act of 1965, as amended, including the Drug-Free Schools and Communities Amendments of 1989 (Public Law 101-226), the Allied Business Schools Drug and Alcohol Prevention Policy is provided to all employees and students annually.
Employee involvement with illegal drugs, controlled substances, or alcohol can negatively impact the workplace and the employee's ability to perform his job duties. It also adversely affects the Company's reputation, integrity and quality of products and services. Consequently, all employees, regardless of position, are covered by the terms of this Policy. Applicants for employment are included in this Policy as expressly stated.

**Definition**
All divisions of Allied Business Schools premises are all areas in which the Company operates including, but not limited to its property; Company-owned or leased offices, plants and equipment; privately-owned vehicles entering or parked on the property, or in use on the property; lockers; desks; equipment; work space; and storage facilities. Illegal drug means any drug which is an illicit drug and not legally obtainable or which is legally obtainable but has not been legally obtained. This term also includes prescribed drugs not legally obtained and prescribed drugs, such as controlled substances like pain medications, not being used for prescribed purposes.

Legal drug includes any prescribed drug or over-the-counter drug that has been legally obtained and is being used for the purpose for which it was prescribed or manufactured.

Under the influence means; that the employee is affected by drugs or alcohol or the combination of drugs and alcohol in a detectable manner. A determination of such influence can be established by professional opinion, a scientifically valid test or, in some cases, by a layperson's opinion.

**Requirements/Prohibition**
Students, faculty, and staff must comply with federal, state, and local laws concerning alcohol and illegal drug usage, whether on the Company's property or otherwise. Allied Business Schools employees must report for work and remain in a condition to perform their duties free from the effect of any drug or alcohol. Employees shall not be under the influence of any illegal drug while performing any Company related activity.

All employees must report for work and remain in a condition to perform their duties free from the effect of any drug or alcohol. Employees shall not be under the influence of any drug, legal or illegal, during working time, while on Company premises or business or while operating Company vehicles or equipment. The use, sale, possession, manufacture or purchase of illegal drugs, controlled substances or alcohol while on Company premises or while on Company business is prohibited. Employees who violate this Policy are subject to disciplinary action, up to and including termination. Such violations include, but are not limited to, the commission of any act prohibited under this Policy and the failure to cooperate with or follow any of its requirements.

**Use of Legal Drugs**
Studies show that long term heavy drinking and drug use can lead to damage of the liver, nervous system, heart and brain. It may also lead to high blood pressure, stomach problems, medicine interactions, sexual problems, osteoporosis, and cancer. Because of the well known consequences of drug and alcohol abuse, the company is firmly committed to providing a safe and healthy environment for all students and employees. Consistent with this commitment, the company has a zero tolerance policy against drug and alcohol abuse.

It is the responsibility of the employee who is taking legal drugs to assure that such medication will not interfere with the employee's safe and efficient performance of his job. Upon receiving a prescription, the employee must ask the physician whether the use of a prescribed drug will interfere with his/her safe and efficient performance. If so, the employee must inform the supervisor of this fact and cooperate fully with management in an evaluation of the appropriate action. If management concludes that the drug will or may adversely affect the employee's job performance, management will determine whether assignment of alternative job duties, a leave
of absence and/or other job-related action is required. The employee may also be required to obtain a physician's release before being allowed to return to regular job duties.

Investigation
The use, sale, possession, manufacture, or purchase of illegal drugs, controlled substances, or alcohol while on the premises or while performing Company related activities is strictly prohibited. Those who violate this policy are subject to disciplinary action, up to and including expulsion, termination of employment and referral for prosecution. Local, state and federal sanctions for unlawful activity relating to drug and alcohol abuse may result in fines and/or incarceration.

Employees reasonably suspected of possession, use, manufacture, sale, purchase or of being under the influence of illegal drugs or alcohol on Company premises or during working time may be suspended without pay pending an investigation of the circumstances. The Company will try to complete its investigation within a 72-hour period.

To ensure that drugs, alcohol and/or other illegal activity do not enter or affect the workplace, the Company may take any or all of the following steps in accordance with applicable state law while employees are on Company premises or performing Company business during working time.
- observe actions of employees
- counsel employees
- search any Company property, including desks, file cabinets and lockers

All searches under this policy will occur with the appropriate discretion and consideration for the employee(s) involved.

Drug Use Assistance
Allied Business Schools is a virtual campus and therefore does not allow for us to provide onsite counseling or treatment. Therefore, we provide the following information as a resource for those students who need assistance with avoiding or recovering from alcohol or drug abuse. We encourage any student, staff, or faculty member who needs information related to alcohol or drug abuse to use directory information, online searches, the telephone book, or referrals from friends, family, and/or professionals. At a national level there are also organizations dedicated to providing information and suggestions:

- **Substance Abuse and Mental Health Services Administration (SAMHSA)**
  This is an agency of the U.S. Department of Health and Human Services which provides information online regarding alcohol, drugs, and treatment programs.
  Web address: [www.samhsa.gov](http://www.samhsa.gov)
  Treatment programs: findtreatment.samhsa.gov
  Phone Number: 1-800-729-6686

- **The National Clearinghouse for Alcohol and Drug Information**
  This organization is part of the U.S. Department of Health and Human Services and SAMSHA’s Clearinghouse
  Web address: [http://www.health.org](http://www.health.org)
  Phone Number: 1-800-729-6686

- **About.com Substance Abuse**
  Explore the complicated disease of addiction and obtain information on basic questions concerning drugs and addition.
  Web address: [http://search.about.com/fullsearch.htm?terms=substance%20abuse](http://search.about.com/fullsearch.htm?terms=substance%20abuse)

- **National Institute on Drug Abuse**
  Web address: [www.nida.nih.gov](http://www.nida.nih.gov)
  Web address on club drugs: [www.clubdrugs.org](http://www.clubdrugs.org)
  Phone Number: 1-310-443-1124

- **Alcoholics Anonymous**
  Web address: [www.alcoholics-anonymous.org](http://www.alcoholics-anonymous.org)

- **Local Resources for Staff and Faculty**
Substance Abuse - Orange County California Web address:
http://www.ocgov.com/ocgov/Social%20Services%20Agency/Community%20Resources/Substance%20Abuse

Social Services Agency - Orange County California
Web address: http://www.ssa.ocgov.com/