IMPORTANT INFORMATION REGARDING CHANGES IN FINANCIAL AID POLICIES

The following are changes in Chaffey College’s Financial Aid policies (effective Fall 2010):

1. **Federal Loan Program** - Beginning July 1, 2010, Chaffey College will no longer be participating in the Federal Student Loan Program. This change in policy is due to the increasing default rates, the increase in student loan indebtedness, and recent legislation which is changing the way in which the default rates (CDR) for federal student loans are calculated. High default rates can potentially lead to a loss of all federal financial aid programs including the Federal Pell Grant. The decision by the college to cease participation in the program was made in an effort to protect the availability of future federal financial aid.

2. **Pell Grant Program** - The Reconciliation Act of 2010 (H.R. 4872) increases the Federal Pell Grant program, allowing colleges to award students Pell Grants on a continual basis year round (if eligible). It also allows colleges to increase to the Pell Grant award amount (if applicable).

While we understand the change to the loan policy may have an effect on students, our hope is that the increase to the Pell Grant Program will give students additional assistance with educational costs, further ensure academic success, and not obligate students in loan debt.