



PRESS RELEASE

July 7, 2011

Contact: Tess King
brownt24@lcc.edu
517-483-1373

LCC Announces Changes in Financial Aid Disbursement *Some 21,000 students receive \$104 M in federal student aid*

LANSING – The method by which financial aid is distributed to students will undergo significant change starting with the Fall Semester. Students receiving financial aid will be able to receive up to \$500 before classes begin to pay for books and school supplies. This is the earliest financial aid has been allocated. LCC officials were first going to distribute a maximum \$400 for books, but after listening to student feedback, decided to raise it to \$500.

For students receiving loans, the first half of the semester payment will occur around the fourth week of semester, with the second half being disbursed a week after the midpoint of the semester. Before the change, the full lump-sum payment was made during the first week of classes.

For those students receiving federal money through grants or scholarships 100 percent of the money will be paid around the fourth week of the semester, once students are enrolled and attending class. These changes help LCC address federal financial aid accountability requirements, and help students budget and plan for the semester. Many students drop courses after the semester begins leaving them with tuition bills from resulting changes to their financial aid. The new disbursement provisions will help students avoid those bills. They are also aimed at helping to reduce the amount of student loan defaults.

Federal government officials are growing increasingly alarmed by the huge build-up of student aid debt and the inability of so many students to repay the federal loans. Consider that the default rate among LCC students has more than doubled – from 5.3 percent in 2003 to 12 percent today. The federal government requires institutions of higher learning to initiate corrective steps when defaults top the 10-percent threshold.

Demand for financial aid has been at an all time high. In just one year's time – FY2009 through FY 2010 – there was a 30-percent increase in both the number of LCC students receiving financial assistance (about 21,000 students) and the dollar value of the assistance (approximately \$104 million).

In the time it takes you to sneeze there is a \$2,853.88 increase in outstanding student loan debt in the U.S. Recently, for the first time in our nation's history – Americans owe more on their student loans (\$833 billion) than on credit cards (\$826.5 billion) and it could top \$1 trillion later this year.

The changes will bring LCC in line with the business practices of Michigan's other community colleges. Federal officials are stepping up pressure on colleges to become more accountable in the administration of student aid. Colleges that fail to take appropriate action could find themselves ineligible to participate in federal student aid programs.

LCC's Financial Aid staff is available to help students navigate the changes and develop an educational budget. The Financial Aid Webpage at www.lcc.edu/fa as well as a student's Banner Self-Service Account is kept up-to-date regarding new policies and other useful information.

About Lansing Community College

Lansing Community College is Michigan's third largest community college with more than 20,000 students attending each year. LCC offers courses in general education for those interested in transferring to a four-year institution, career and workforce development, developmental education and personal enrichment. To meet the professional development and training needs of regional employees, the college offers customized programs for credit, non-credit and continuing education. The University Center at LCC offers students the opportunity to earn bachelor's and master's degrees from six partner universities on the downtown LCC campus. For more information, visit lcc.edu.