

Financial Aid Policies and Procedures

Ohio State School of Cosmetology, Corporation

The purpose of this document is to set forth the policies and procedures of our institution relating to the eligibility, disbursement, accounting and return of Federal financial aid.

All information contained herein pertains to all schools and programs unless otherwise specifically indicated.

All schools (The schools) are owned and operated by the Ohio State School of Cosmetology Corporation, Columbus, Ohio, DBA "Ohio State Schools of Cosmetology" and "The Spa School", and are licensed to provide the appropriate education in the state of Ohio by the requisite regulatory boards.

Nondiscrimination Policy

The Schools do not discriminate in the eligibility, disbursement, accounting nor return of Federal financial aid on the basis of race, creed, color, religion, handicap, age, sex, or country or area of origin.

Consumer Information

Prospective students to The Schools, and other interested parties, can access the Catalog of The School under "Course Catalog", containing consumer information. In addition, all students receive a copy of The Schools "Student Handbook" on the first day of training. Detailed consumer information, including Campus Security statistics, Student Right To Know data and other disclosures required by the United States Department of Education is also available to any interested party at our web site at salonschools.ohiostate.edu, under "Consumer Info".

Admission Requirements

A personal interview is required of all applicants. An applicant must either (1) be a high school graduate, or (2) possess a General Educational Development Certificate of High School Equivalence (GED).

Student Handbook

The following can be found in The Schools' Student Handbook: General Consumer Information, mandated programs such as Drug Abuse Prevention, school closure and Holiday policies, The SAP policy of The Schools, Crime Statistics and reports of any fires on school property.

Satisfactory Academic Progress

All students who attend The Schools must be able to demonstrate satisfactory academic progress (SAP) toward completion of the program. Full details concerning satisfactory progress requirements are outlined in The Schools' "Student Handbook."

Students who do not meet SAP may be deemed ineligible to receive Federal financial aid. However if, upon appeal, the original determination of unsatisfactory progress is overturned, the student shall be fully reinstated within the program and shall be eligible to receive any authorized Federal Financial Assistance for the time period in question, retroactive to the date of the original determination.

Application for Federal Aid

To be considered for federal student aid, a student must complete a Free Application for Federal Student Aid unless the only aid the student wants to receive is a PLUS loan via his parent. The FAFSA collects financial and other information used to calculate the expected family contribution (EFC) and to determine a student's eligibility. The FAFSA is the only form students must fill out specific to the application for Title IV aid.

Institutional Student Information Record (ISIR)

The report that summarizes the information included in the FAFSA (ISIR) must be received from the student before Federal financial aid can be disbursed.

Cost of Attendance (COA)

The total amount it should cost the student to go to school, including tuition and fees, books and supplies, transportation, personal expenses and incidental expenses. Loan fees, if applicable, may also be included in the COA. Child care and expenses for disabilities may also be included at the discretion of the financial aid administrator.

Financial Aid Availability

The financial aid available to those who qualify includes PELL Grants, Direct Stafford loans, Plus Loans, school-sponsored Scholarships, Tuition Awards and private aid. Additionally, students who receive a Federal Student Loan are required to complete an online entrance counseling interview prior to receiving their first loan disbursement and an online exit counseling interview prior to completing their program.

Academic Year

The Schools provide clock hour training. Therefore, the Academic year for The

Schools is:

- 1) 900 clock hours (26 weeks) for the 750 hour Advanced Esthetician program;
- 2) 900 clock hours (30 weeks) for the 1800 clock hour Advanced Cosmetology program, the 1500 hour Cosmetology program and the 1200 hour Hair Designer program.

Eligible Programs

In order to qualify as an eligible program the program must (1) be licensed and accredited; (2) be offered at an eligible school; and (3) comprise at least 600 clock hours of training.

Award Letter

The official document that lists all of the financial aid awarded to the student. This letter provides details on the analysis of financial need and the breakdown of each student's financial aid package according to amount, source and type of aid.

Award Year

The award year for Federal financial aid begins July 1 and ends June 30. Therefore, there are generally two calendar years comprising an Award Year.

Disbursement of Federal Financial Aid

A. A personal interview will be held with the student on the first day of class, at which time rights and responsibilities will be explained and the student will sign necessary certifications as required.

B. Direct Loan disbursements for students are received by the school. The student will be notified within 10 school days of the receipt of such Direct Loan disbursement.

C. Before disbursement of loan proceeds, a review of the student's training records will be made to ensure the student is making satisfactory academic and attendance progress.

D. Direct Loan Funds are first applied toward a student's current obligations to the school. A personal check will be issued for the appropriate portion of the remainder payable directly to the student, and delivered to the student within 5 days.

E. It is important the student realizes that funds received from the Direct Loan Program (including Plus loans) are DEBTS THAT MUST BE REPAYED BY THE STUDENT OR PARENT.

Pell Grants

A. Pell Grant funds are disbursed to your tuition account for each payment period. The first disbursement will be credited at the beginning of your training after all verification requirements have been met.

B. Subsequent disbursements will be credited to your account(s) upon completion of the required clock hours in each payment period.

C. Pell Grant funds are first applied to school charges. Any remaining funds are disbursed, incrementally by check, to the student for use toward educational expenses.

D. Before disbursement of Pell Grant funds, a review of the student's training records will be made to ensure the student is making satisfactory academic and attendance progress.

Title IV Federal Financial Aid (FFA)

Return of Title IV Federal Financial Aid

If Federal Financial Aid (FFA) is used to pay tuition for a student training, and the student does not complete that training, the student may be entitled to only a portion of that FFA, and the School must return to the appropriate FFA program any FFA exceeding that to which the student is entitled.

Following is the Federal Policy for Return of Title IV Aid

The law specifies how a school is to determine the amount of Title IV financial aid a student earns if the student withdraws from school. The programs covered by this law are Unsubsidized Direct Stafford Loans, Subsidized Direct Stafford Loans, Perkins Loans, Direct Graduate PLUS Loans, Direct Parent PLUS Loans, Pell Grants, FSEOG, TEACH Grants and Iraq and Afghanistan Service Grants.

The Return of Federal Title IV Funds Policy applies to any student who receives Title IV funding and withdraws. The withdrawal process is defined as occurring when a student notifies, in written form, the Financial Aid Office of his or her intent to withdraw. Whether or not notification is given or whether or not the student begins the withdrawal process, the school will determine the date of withdrawal as the date the student ceased attendance.

The Return to Title IV formula determines the amount of Title IV funds a student has earned at the time the student ceases attendance and the amount of Title IV funds a student must return. This includes any money disbursed to the student as "personal living expenses."

The amount of Title IV funds earned by a student is based on the amount of scheduled attendance by the student for that payment period. The amount of Title IV funds a student earns is a proportional calculation based on the amount of time the student is scheduled to attend school through 60 percent of the payment period.

If a student ceases to attend school after 60 percent of the payment period, the student earns 100 percent of the Title IV funds.

If the student withdraws the amount of Title IV aid the student has earned up to that point is determined by a specific formula.

If a student received (or the school or parent received on behalf of the student) less assistance than the amount the student earned, the student may be able to receive the additional funds.

If the student received more assistance than the student earned, the excess funds must be returned by the school and/or the student.

The amount of assistance that the student has earned is determined on a pro rata basis. For example, if the student was scheduled 30% of the payment period the student earned 30% of the aid they were originally scheduled to receive.

Once the student has been scheduled more than 60% of the payment period the student earns all the aid that the student was scheduled to receive for that period.

If the amount of Title IV grant or loan funds disbursed is greater than the amount a student earned, unearned funds must be returned.

If the amount the student was disbursed is less than the amount the student earned, the student may be eligible to receive a post-withdrawal disbursement in the amount of the earned aid not received but otherwise eligible.

If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan funds so that the student may not incur additional debt. The school may automatically use all or a portion of the student post-withdrawal disbursement (including loan funds, if the student accepts the funds) for tuition.

For all other school charges, the school needs the students permission to use the post-withdrawal disbursement. If the student does not give permission, the student will be offered the funds. However, it may be in the students best interest to allow the school to keep the funds to reduce the students debt at the school.

If it is determined that unearned Title IV funds must be returned, the responsibility is allocated between the school and the student. The school's responsibility for returning unearned funds is limited to the greater of the Title IV aid retained by the school or the prorated institutional charges for the payment period. There are some Title IV funds that the student was scheduled to receive that the student cannot earn once the student withdraws because of eligibility requirements. For example, if the student has not completed the first 30 days of the program before the student

withdraws, the student will not earn any FFEL/Direct Loan funds that the student would have received had the student remained enrolled past the 30th day.

If the student receives (or the school or parent received on behalf of the student) excess Title IV program funds that must be returned, the school must return a portion of the excess equal to the lesser of:

1. the student institutional charges multiplied by the unearned percentage of your funds, or
2. the entire amount of excess funds.

The school must return this amount even if it didn't keep this amount of the student Title IV program funds.

If the school is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that the student must return, the student (or the parent for a PLUS Loan) must repay in accordance with the terms of the promissory note. That is, the student (or the parent for a PLUS Loan) will make scheduled payments to the holder of the loan over a period of time.

Any amount of unearned grant funds that the student must return is called an overpayment. The amount of a grant overpayment that the student must repay is half of the unearned amount. The student must make arrangements with the school or the Department of Education to return the unearned grant funds.

The requirements for Title IV program funds when the student withdraws is separate from any refund policy that the school may have. Therefore, the student may still owe funds to the school to cover unpaid institutional charges.

The school may also charge the student for any Title IV program funds that the school was required to return.

If a student has questions about Title IV program funds, students may call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913 or log on the Student Aid site:

www.studentaid.ed.gov.

Federal Policy for distribution of Return of Title IV

Return of Federal Title IV funds will be distributed in the following order:

1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
3. Direct Graduate PLUS Loans

4. Direct Parent PLUS Loans
5. Pell Grants
6. FSEOG
7. TEACH Grants
8. Iraq and Afghanistan Service Grants

Refund Dates

(i) Withdrawal date- A student's withdrawal date is the earlier of-

(A.) The date that the student notifies an institution of the student's withdrawal, or the date of withdrawal specified by the student, whichever is later.

(B.) If the student drops out of the institution without notifying the institution (does not withdraw officially), the last recorded date of class attendance by the student, as documented by the institution.

ii. If the student does not return to the institution at the expiration of an approved leave of absence under paragraph (j) (2) of this section, or takes a leave of absence that is not approved under paragraph (j) (2) of this section, the student's withdrawal date is the last recorded date of class attendance by the student, as documented by the institution.

iii. If the student is enrolled in an educational program that consists predominantly of correspondence courses, the student's withdrawal date is normally the date of the last lesson submitted by the student, if the student failed to submit the subsequent lesson in accordance with the schedule for lessons established by the institution. However, if the student establishes in writing, within 60 days of the date of the last lesson that he or she submitted, a desire to continue in the program and an understanding that the required lessons must be submitted on time, the institution may restore that student to "in school" status for purposes of funds received under the Title IV, HEA programs. The institution may not grant the student more than one restoration to "in school" status on this basis.

(2) Approved leave of absence. A student who has been granted a leave of absence by an institution is not considered to have withdrawn from the institution and is considered to be on an "approved leave of absence" for purposes of this section (and, for a Title IV, HEA program loan borrower, for purposes of terminating the student's in-school status) under the following conditions-

(i) In any twelve month period, the institution may grant a single or multiple leave(s) of absence to a student, not to exceed a total of 180 days;

(ii) The student must make a written request to be granted a leave of absence; and

(iii) The leave of absence may not involve additional charges by the institution to the student.

(3) Timely determination of withdrawal for students who drop out. An institution must determine the withdrawal date for a student who drops out within 30 days after the expiration of the earlier of the-

i. Period of enrollment for which the student has been charged;

- ii. Academic year in which the student withdrew; or
 - iii. Educational program from which the student withdrew.
- Timely payment. An institution shall pay a refund that is due to a student-
- i. If a student officially withdraws or is expelled, within 30 days after the student's withdrawal date;
 - ii. If a student drops out, within 30 days of the earliest of the-
 - a. Date on which the institution determines that the student dropped out;
 - b. Expiration of academic term in which the student withdrew; or
 - c. Expiration of the period of enrollment for which the student has been charged;
 - iii. If a student-
 - (A) Does not return to the institution at the expiration of an approved leave of absence, under paragraph (j) (2) of this section, within 30 days of the earlier of the date of expiration of the leave of absence or the date the student notifies the institution that the student will not be returning to the institution after the expiration of an approved leave of absence;
 - (B) Is taking a leave of absence that is not approved under paragraph (j) (2) of this section, within 30 days after the last recorded date of class attendance by the student, as documented by the institution.

Financial Aid Counseling

Each recipient of Title IV Federal Financial Aid is eligible to receive additional counseling in the following areas:

1. The source and the amount of each type of Federal Financial Aid or institutional aid offered to the student.
2. The method by which such aid is determined and disbursed delivered or applied to a student's account.
3. The rights and responsibilities of the student with respect to enrollment at the institution and receipt of financial aid. This information includes the school's refund policy, its standards of satisfactory progress and other conditions that may alter the student's financial aid package. Any student who desires such counseling or needs additional information regarding Federal Financial Aid should contact the financial aid office of The Schools at (614) 252-5252 or email at [finaid@salonschools.com]. If a student has questions about Title IV program funds, students may call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913 or log on the Student Aid site: www.studentaid.ed.gov.

Privacy Policy

The schools will not disclose information from any student record to unauthorized persons without the signed written consent of the student (or the student's parent or legal guardian if the student is under the age of 18). This policy relates to all

information which is personally identifiable, including Federal financial aid information, and may not be altered without the signed written permission of the student. Student records are safeguarded in fire-resistant file cabinets at our Administrative Office.

Access Policy

The school will provide any student (or, if a minor, the student's parent or legal guardian) the opportunity to review the student's educational records, including Federal financial records, and to seek correction of any inaccurate information contained within. To review their file, the student must schedule an appointment by making a request, in writing, addressed to the Administrative Office. They may receive copies of such records upon payment of a copying fee of 50 cents per page. Access to records and copies of such records shall be provided within 20 days of request.

Code of Conduct Policy

This code of conduct applies to all divisions of Ohio State School of Cosmetology, Corporation (The School) and to all employees, officers and agents of the School, including without limitation individuals who are employed in a financial aid office or who otherwise have responsibilities with respect to education loans. This code reiterates and reflects the School's continuing commitment to conducting financial aid practices with integrity, free from conflicts of interest, in the interest of students, and in compliance with applicable law.

Definition

For purpose of this code of conduct, lending institution means:

- (a) Any entity that itself or through an affiliate engages in the business of making loans to students, parents or others for purposes of financing higher education expenses or that securitizes such loans; or
- (b) Any entity, or association of entities, that guarantees or services education loans; or
- (c) Any industry, trade or professional association that receives money from any entity described above in subsections (a) and (b).

I. Prohibition on Revenue Sharing with Lending Institutions and on Solicitation or Acceptance of Remuneration or Assistance from a Lending Institution

The School prohibits any revenue-sharing arrangement with any lending institution. Revenue sharing is any arrangement by which a lender pays the School a percentage of the principal loan taken by a borrower or otherwise compensates the School as a result of a borrower taking a loan.

The School may not accept or solicit anything of value from any lending institution related to its education loan activity. This prohibition shall include, but not be limited to, (i) revenue sharing by a lending institution with the School, (ii) the School's receipt from any lending institution of any computer hardware for which the School pays below-market prices and (iii) printing costs or services.

The School also may not accept or solicit staffing assistance from a lending institution, including but not limited to call center staffing or financial aid office staffing. The School shall ensure that it does not identify any employee or other agent of a lending institution to students or prospective students of the School or their parents as an employee or agent of the School.

II. Ban on Opportunity Loans

The School shall not arrange with a lending institution to provide any opportunity loans, if the provision of such opportunity loans prejudices any other borrower.

The School also may not accept or solicit any funds to be used for private educational loans or opportunity pool loans in exchange for providing a lending institution with a specified number of federal loans, a specified loan volume or a preferred lender arrangement.

For purpose of this code, an opportunity loan agreement is an arrangement whereby a lending institution agrees to make loans up to a specified aggregate amount to students with poor or no credit history, or to international students whom the lending institution claims would not otherwise be eligible for its loan programs, in exchange for concessions or promises by a School that may prejudice other borrowers.

III. Ban on Actions that Limit a Borrower's Choice of Lending Institutions

The School shall not assign a first-time borrower to a particular lender, or refuse to certify, or delay certification, of any loan based on the borrower's selection of a lending institution.

IV. Prohibition on Gifts and Remuneration to School Employees

The School shall inquire and ensure that no officer, trustee, director, employee, or agent of the School solicits or accepts gifts or anything of more than de minimus value on his or her own behalf or on behalf of another from or on behalf of a lending institution, except that this provision shall not be construed to prohibit any officer, trustee, director, employee, or agent of the School from conducting non-School business with any lending institution. Nothing in this provision or otherwise shall prevent the School from holding membership in any nonprofit professional

association. This prohibition shall include, but not be limited to, any ban on any payment or reimbursement by a lending institution to a School employee for lodging, meals, or travel to conferences or training seminars.

For purpose of this code, “gifts” include any gratuity, favor, discount, entertainment, hospitality, loan, or other item having a monetary value of more than a de minimus amount, including services, transportation, lodging, and meals. A gift does not include standard materials, activities or programs related to a loan being provided; favorable terms, conditions or borrower benefits provided to a student employed by the School if comparable terms are provided to all students of the School; philanthropic contributions to an institution unrelated to education loans; or state education grants, scholarships or financial aid funds.

V. Limitations on School Employees Participating on Lender Advisory Boards

The School prohibits any officer, trustee, director, employee, or agent of the School from receiving any remuneration for serving as a member or participant of an advisory board of a lending institution, or receiving any reimbursement of expenses for so serving, provided, however, that participation on advisory boards that are unrelated in any way to higher education loans shall not be prohibited by the code. Notwithstanding the above, neither this paragraph nor Part IV of this code of conduct shall prohibit any officer, trustee, director, employee, or agent of the School, who is uninvolved in the affairs of the School’s financial aid office, from serving on a board of directors of a publicly traded or privately held company.

VI. Prohibition on Consulting for Lending Institutions by Financial Aid Officers and Other Employees or Officers who have Student Lending Responsibilities

Individuals employed in a financial aid office and other employees or officers who otherwise have student lending responsibilities are prohibited from consulting or providing other contract services for a lending institution. This article does not prohibit a financial aid officer from consulting for, or serving on advisory board constituted by, the federal government consistent with the School’s Policy on Conflict of Interest and Conflict of Commitment and federal law.

VII. Prohibition on Stock Ownership in Lending Institutions by Financial Aid Officers

A person employed as a financial aid officer of the School shall not own stock or hold any other financial interest in a lending institution, other than through ownership of shares in a publicly traded mutual fund or similar investment vehicle in which the person does not exercise any discretion regarding the investment of the assets of the investment vehicle.