

# Federal Financial Aid

The most common type of financial aid is in the form of Federal Financial Aid. There are several programs offered. Students who wish to apply for federal financial aid must meet the eligibility requirements for the program they wish to participate in.

Eligibility for federal programs is determined by the information provided by students on the *Free Application for Federal Student Aid* (FAFSA). Basic requirements include:

- Possess a high school diploma or GED
- Be a U.S. Citizen
- Be enrolled or enrolling in a degree or certificate program
- Maintain satisfactory academic progress

## Types of Federal Student Aid

There are three types of federal student aid. The three types are grants, work study, and loans. Read below to find out about the different types of student aid.

- Grants
- Work Study
- Loans

## FEDERAL GRANTS

One type of federal financial aid is grants. Grants are a type of aid the does not have to be repaid. The amount that a student receives depends on the student's financial need, cost of attendance, and their enrollment status. Below you will find information about federal grants. This information is available at <http://studentaid.ed.gov/>.

### Federal Pell Grant

A Federal Pell Grant, unlike a loan, does not have to be repaid. Pell Grants are awarded usually only to undergraduate students who have not earned a bachelor's or a professional degree. (In some cases, however, a student enrolled in a post-baccalaureate teacher certification program might receive a Pell Grant.) Pell Grants are considered a foundation of federal financial aid, to which aid from other federal and nonfederal sources might be added.

### How much can I get?

The maximum Pell Grant award for the 2015-16 award year (July 1, 2015 to June 30, 2016) is \$5,775. The maximum can change each award year and depends on program funding. The amount you get, though, will depend not only on your financial need, but also on your costs to attend school, your

status as a full-time or part-time student, and your plans to attend school for a full academic year or less.

**If I am eligible, how will I get the Pell Grant money?**

Your school can apply Pell Grant funds to your school costs, pay you directly (usually by check), or combine these methods. The school must tell you in writing how much your award will be and how and when you'll be paid. Schools must disburse funds at least once per term (semester, trimester, or quarter). Schools that do not use semesters, trimesters, or quarters must disburse funds at least twice per academic year.

**Federal Supplemental Educational Opportunity Grants (FSEOG)**

The Federal Supplemental Educational Opportunity Grant (FSEOG) program is for undergraduates with exceptional financial need. Pell Grant recipients with the lowest expected family contributions (EFCs) will be considered first for a FSEOG. Just like Pell Grants, the FSEOG does not have to be repaid.

**How much can I get?**

You can receive between \$100 and \$4,000 a year, depending on when you apply, your financial need, the funding at the school you're attending, and the policies of the financial aid office at your school.

**If I am eligible, how will I get the FSEOG money?**

If you're eligible, your school will credit your account, pay you directly (usually by check), or combine these methods. Your school must pay you at least once per term (semester, trimester, or quarter). Schools that do not use semesters, trimesters, or quarters must disburse funds at least twice per academic year.

**FEDERAL WORK STUDY**

Federal Work-Study (FWS) provides part-time jobs for undergraduate and graduate students with financial need, allowing them to earn money to help pay education expenses. The program encourages community service work and work related to the recipient's course of study. This information is available on at the U.S. Department of Education's website at <http://studentaid.ed.gov/>.

**Will I be paid the same as I would in any other job?**

You'll be paid by the hour if you're an undergraduate. No FWS student may be paid by commission or fee. Your school must pay you directly (unless you direct otherwise) and at least monthly. Wages for the program must equal at least the current federal minimum wage but might be higher, depending on the type of work you do and the skills required. The amount you earn can't exceed your total FWS award. When assigning work hours, your employer or financial aid administrator will consider your award amount, your class schedule, and your academic progress.

## **What kinds of jobs are there in Federal Work-Study?**

If you work on campus, you'll usually work for your school. If you work off campus, your employer will usually be a private nonprofit organization or a public agency, and the work performed must be in the public interest. Your school might have agreements with private for-profit employers for Federal Work-Study jobs. This type of job must be relevant to your course of study (to the maximum extent possible). If you attend a career school, there might be further restrictions on the jobs you can be assigned.

## **FEDERAL LOANS**

Student loans, unlike grants and work-study, are borrowed money that must be repaid, with interest, just like car loans and mortgages. You cannot have these loans canceled because you didn't like the education you received, didn't get a job in your field of study or because you're having financial difficulty. Loans are legal obligations, so before you take out a student loan, think about the amount you'll have to repay over the years. To find out more information about federal loans, please visit the U. S. Department of Education's website at <http://studentaid.ed.gov/>.

### Federal Perkins Loans:

- Made through participating schools to undergraduate, graduate and professional students.
- Offered by participating schools to students who demonstrate the greatest financial need (Federal Pell Grant recipients get top priority).
- Made to students enrolled full-time or part-time.
- Repaid by you to your school.
- Stafford Loans are for undergraduate, graduate and professional students. You must be enrolled as at least a half-time student to be eligible for a Stafford Loan.

### Loan Information:

- The maximum loan amount is \$4,000 per year for undergraduates; \$6,000 for graduates.
- Priority is given to those with exceptional need
- Repayment of Perkin Loans begin nine months after student status drops to less than half-time; up to 10 years to repay.
- Current interest rate is 0% while in school and 5% during repayment.
- In order to be eligible, students must file the FAFSA form.

### Federal Stafford Loans:

Stafford Loans are for undergraduate, graduate and professional students. You must be enrolled as at least a half-time student to be eligible for a Stafford Loan.

### Subsidized Stafford Loan:

- Available to students who demonstrate financial need.
- Eligible students can borrow a subsidized FFEL or Direct Loan to cover some or all of their need.
- For a subsidized loan, the U.S. Department of Education pays the interest:
- While you're in school at least half-time.
- For the first six months after you leave school.
- During a period of deferment (a postponement of loan payments).

- The amount of your subsidized loan cannot exceed your financial need.

#### Loan Details:

- Up to \$3,500 for first year students
- Limits are \$5,500 a year for remaining undergraduate years
- Repayment begins 6 months after student status drops less than half-time
- Up to 10 years to repay
- Federal Government pays interest while student is in school
- Must file the FAFSA to be eligible

#### Unsubsidized Stafford Loan:

- Available to students who do not have financial need.

#### Loan Details

- Dependent students may borrow up to \$3,500, less any eligibility for the subsidized Federal Stafford Loan
- Same interest and repayment terms as the Subsidized Federal Stafford, except that interest is not subsidized and will accrue during in-school and during six month grace periods

#### Federal Parent Loan for Undergraduate Students (PLUS)

- Parents must have no adverse credit
- Annual loan limit is the dependent student's cost of education minus any financial aid received
- Repayment begins within 60 days of disbursement
- Up to 10 years to repay

#### **How do I apply for a Perkins or Stafford Loan?**

As with all federal student financial aid, you apply for a Perkins or Stafford Loan by completing the FAFSA. A separate loan application is not required. However, you'll need to sign a promissory note, which is a binding legal contract that says you agree to repay your loan according to the terms of the promissory note. Read this note carefully before signing it and save a copy for your records.