

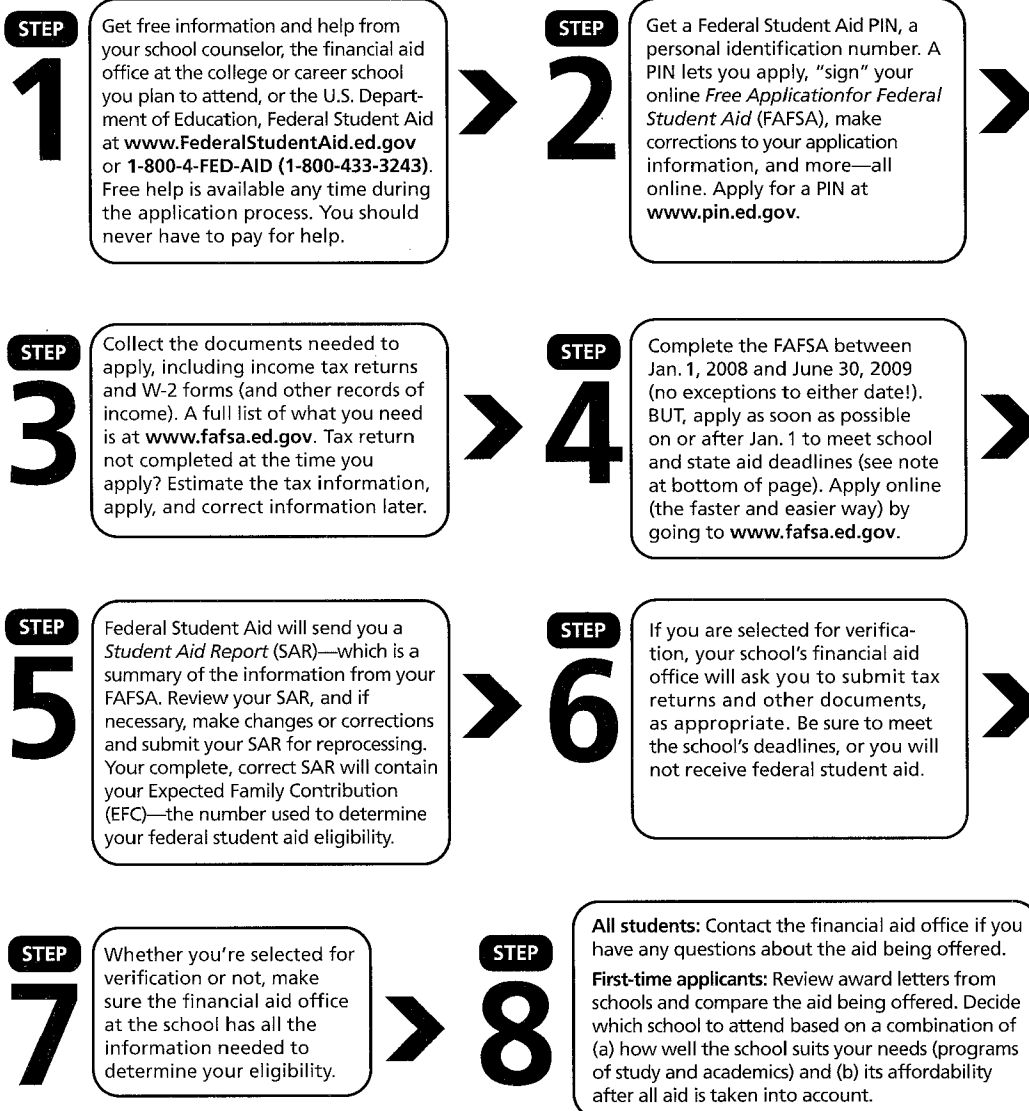
## Understanding Financial Aid

Many families mistakenly think they won't qualify for federal student aid, but financial aid is not always need-based. It comes in many forms, and many sources of financial aid are available to families regardless of financial need. To understand financial aid, first families must know the types of aid that are available to students. They are:

**Grants and Scholarships**  
**Work-Study Programs**  
**Federal Student Loans**

Federal student aid is financial assistance through the U.S. Department of Education that's available to those enrolled in an eligible program as a regular student at a school participating in our federal student aid programs. Federal student aid covers school expenses such as tuition and fees, room and board, books and supplies, and transportation. This aid can also help pay for a computer and dependent child-care expenses. (Note that accepting any of this aid does not commit the student to military or other government service.)

### HOW DO I APPLY FOR FEDERAL STUDENT AID?



## Student Loan Comparison Chart

Loan Program	Eligibility	Award Amounts	Interest Rates	Lender/Length of Repayment
<b>Federal Perkins Loans</b>	Undergraduate and graduate students	Undergraduate—up to \$4,000 a year (maximum of \$20,000 as an undergraduate) Graduate—up to \$6,000 a year (maximum of \$40,000, including undergraduate loans) Amount actually received depends on financial need, amount of other aid, availability of funds at school	5 percent	Lender is your school Repay your school or its agent Up to 10 years to repay, depending on amount owed
<b>FFEL Stafford Loans (subsidized and unsubsidized)</b>	Undergraduate and graduate students; must be enrolled at least half-time*	Depends on grade level in school and dependency status (see chart on page 11) Financial need is required for subsidized loans Financial need not necessary for unsubsidized loans	Fixed rate of 6.8 percent for loans first disbursed on or after July 1, 2006 The federal government pays interest on subsidized loans during school and certain other periods The borrower pays all interest on unsubsidized loans	Lender is a bank, credit union or other participating private lender Repay the loan holder or its agent Between 10 and 25 years to repay, depending on amount owed and type of repayment plan selected
<b>Direct Stafford Loans (subsidized and unsubsidized)</b>	Same as above	Same as above	Same as above	Lender is the U.S. Department of Education; repay Department Between 10 and 25 years to repay, depending on amount owed and type of repayment plan selected
<b>FFEL PLUS Loans</b>	Parents of dependent undergraduate students enrolled at least half-time* (see dependency status) Graduate or professional degree students enrolled at least half-time* Borrower must not have negative credit history	Student's Cost of Attendance* – Other aid student receives = Maximum loan amount	Fixed rate at 8.5 percent for loans first disbursed on or after July 1, 2006; borrower pays all interest	Same as for FFEL Stafford Loans above
<b>Direct PLUS Loans</b>	Same as above	Same as above	Fixed rate at 7.9 percent for loans first disbursed on or after July 1, 2006; borrower pays all interest	Same as for Direct Stafford Loans above, except that the Income Contingent Repayment Plan is not an option

The information in this guide was compiled in summer 2007. For any changes to the federal student aid programs since then, visit [www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov) and click on "Students, Parents and Counselors." Any new information will appear in the "Announcements" section.

U.S. Department of Education, Federal Student Aid, Students Channel, *Funding Education Beyond High School: The Guide to Federal Student Aid 2008-09*, Washington, D.C.

### FAFSA Tips

Completing the FAFSA is the first step in the financial aid process with the students' school of choice. Check out the tips below to make this process a little easier:

- You may file the FAFSA after January 1.
- In order to file the FAFSA, both parent and student must have a PIN. If multiple children are filing, the *parent* may use the same PIN for each application, but each *student* will need a separate PIN. To receive a PIN, access student aid history, and to receive a SAR (Student Aid Report) online, register at [www.pin.ed.gov](http://www.pin.ed.gov). The sooner you register for a PIN, the better. After receiving your PIN, print it and keep for your records.
- On-line applications are processed within 72 hours; paper version may take 4-6 weeks.
- DO NOT WAIT for tax information from 2006. If there is no change, use the information from your 2005 tax forms.

### FAFSA4caster: A Qualification Preview

The U.S. Department of Education's office of Federal Student Aid is pleased to announce the release of **FAFSA4caster**, a new Web tool designed to assist high school juniors and their families plan for education beyond high school. Students can receive an Expected Family Contribution (ELF) by entering their information into FAFSA4caster, a simplified version of the FAFSA. FAFSA4caster also provides guidance on next steps for applying for admission, applying for federal student aid, and paying for education beyond high school. Students and parents can access FAFSA4caster by visiting [www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov). The links for FAFSA 4caster are located in the right side of the home page.