

TYPES OF FINANCIAL AID AVAILABLE

Grants

- Do not need to pay back
- Funded by state and federal government and some colleges
- Awarded automatically based upon FAFSA results
- Pell Grant is for undergraduate degrees only

Loans---See below for specific types

- Must be repaid, with interest

Merit Scholarships

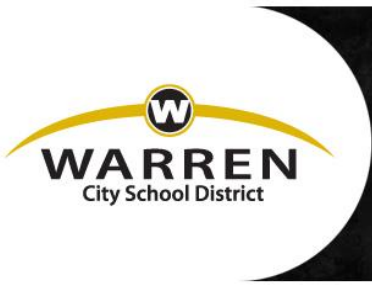
- Not based upon financial need
- Offered to academically talented students
- Awards vary in amount
- Often competitive (some require essays or personal interviews)

Work Study

- Students work for the campus
- Federal government provides payment
- Opportunities vary at each school
- Contact financial aid or student employment prior to beginning school to ask about possibilities for employment

Beware

- You should never be asked pay someone to find money for college
- Talk to the financial aid officers at the colleges that interest you



Student Loans 101

The first step to receiving a loan is filling out a Free Application for Federal Student Aid (otherwise known as a FAFSA).

Subsidized Federal Stafford Loans: The most common type of loan, Subsidized Federal Stafford Loans are need-based and government-secured. They offer low interest rates, deferred payments until six months after graduation (or if you drop below halftime in your course-load) and flexible repayment plans. “Subsidized” means you are not accruing interest while you are in college, within the six-month grace period or in a deferment agreement.

Unsubsidized Stafford Loans: Unlike the subsidized loans mentioned above, Unsubsidized Stafford Loans are not need-based. Also, the interest from these loan(s) will accrue while you are in college. The repayment period begins after you stop going to college, drop below halftime status or graduate.

Federal Perkins Loans: These loans carry many of the same benefits of Stafford loans and are disbursed by the college to students who demonstrate the most financial need. However, there are a few key differences. Most notably, the interest rate is lower, borrower eligibility is determined by tighter “need-based” standards, there is no fee and there is a longer grace period before repayment.

PLUS Loans: Families are also eligible for government loans. If you are a dependent, your family may qualify for a PLUS Loan. This type of loan will cover the cost of attending your selected college minus whatever financial aid (scholarships, grants, student loans) you have already received. If there is any money left over, a check will be sent to your parents and they may apply the funds to your school account. Be aware that there are some need-based criteria as well as a credit check so make sure your parents complete their portion of the loan application! Your college will complete the section regarding the cost of attendance and your financial aid package.

Private Loans: If you find yourself in need of additional aid, you (and your family) might consider taking out a private loan. After all, private loans are the third most common resource for student borrowing. They often come from a bank or credit union and generally carry higher interest rates that are based upon the borrower's credit history and ability to repay the loan.