

Federal Financial Aid: What is available?

The federal government provides billions of dollars of financial aid. The *Free Application for Federal Student Aid* begins the process. The application is available at www.fafsa.ed.gov. The following is a review of existing federal financial aid programs.

Federal Pell Grants - Undergraduate students who establish financial need may obtain these grants. The amounts range from \$400 to \$4,000 each year. They do not need to be repaid and are made through colleges and universities.

Federal Perkins Loans - These loans are provided up to the amount of \$4,000 per yr. for undergraduate study and \$6,000 per yr. for graduate programs. Colleges and universities award Perkins Loans. They must be paid back with interest, although interest rates are very low.

Federal Supplementary Educational Opportunity Grants -

These grants do not need to be repaid and are given to undergraduate students with outstanding financial need. They range from \$100 to \$4,000 and are awarded through participating colleges and universities.

Federal Work Study - This program is managed by each college or university which pays students to work on or off campus. Both undergraduate and graduate students with financial need may be qualified. These funds are part of a financial aid package.

PLUS Loans - Parents of dependent undergraduate students may apply for these loans. The student must be enrolled at least part-time. The amount given is determined by how much it will cost the student to go to school and the amount of other awards received.

Stafford Loans - Stafford loans are awarded as subsidized or unsubsidized loans. The interest on subsidized loans are paid by the DOE while students are in school. The amount of the loan varies from \$2,625 to \$8,500 depending on your year in school. Unsubsidized loans are based on need and the borrower must pay the interest. Loans are dependent on year in school and range from \$2,500 to \$18,500. They are awarded by universities and banks.

Adapted from: Money from Uncle Sam: Current Federal Financial Aid Programs (Sept) The College Spotlight. Vol. 8, No. 1.

