

Useful Web Sites

Student Aid on the Web

www.FederalStudentAid.ed.gov

Click on Students, Parents and Counselors

At this Web site you can

- Find information on federal student aid and access publications online.
- Use "MyFSA" to create a personalized folder to record your interests and searches to help you decide on a career and locate schools offering majors in that field. Track your progress in the college planning and application process by applying to schools online, access other sources of nonfederal aid, and store your personal information to populate fields on *FAFSA on the Web*SM.
- Use *FAFSA4caster*SM to get an early estimate of your eligibility for federal student aid and an early start in the financial aid process.
- Obtain a Federal Student Aid PIN to sign your *FAFSA on the Web* and access your personal information.
- Apply for federal student aid online using *FAFSA on the Web* (the online version of the *Free Application for Federal Student Aid* or FAFSASM).
- Keep track of your federal student aid through the National Student Loan Data SystemSM.

College.gov

www.college.gov

This Web site is designed to motivate high school students with inspirational stories and information about planning, preparing, and paying for college.

Free Help Completing the FAFSA

www.FederalStudentAid.ed.gov/completefafsa

This Web site explains how to complete the FAFSA and the purpose of FAFSA questions.

The William D. Ford Federal Direct Loan Program (Direct Loan)

U.S. Department of Education as lender
www.direct.ed.gov

Use this Web site to find out more information on the Direct Loan ProgramSM, such as repayment options and interactive calculators.

Direct Loan Servicing Online

www.dl.ed.gov

Use this Web site to make Direct Loan online payments, view account balance, change billing options, enroll in electronic services, and much more.

U.S. Department of Labor's Occupational Outlook Handbook

(information on various careers and their earning potential)

www.bls.gov/oco

Frequently Requested Telephone Numbers

Federal Student Aid Information Center (FSAIC)

1-800-4-FED-AID (1-800-433-3243)

TTY users can call **1-800-730-8913**.

Callers in locations without access to 1-800 numbers may call **319-337-5665** (this is not a toll-free number).

The FSAIC staff will answer your federal student aid questions for FREE, and provide you with:

- Information about federal student aid programs,
- Help completing the FAFSA,
- Help in making corrections to your *Student Aid Report* (SAR), which contains your application results,
- Information about the process of determining financial need and awarding aid, and
- Information about your federal student loans.

You also can use an automated response system at this number to find out if your FAFSA has been processed and to request a copy of your SAR. Or you can write to the FSAIC at the address at the bottom of this page.

Direct Loan Servicing

1-800-848-0979 | TTY users can call **1-800-848-0983**.

Direct Loan Consolidation

1-800-557-7392 | TTY users can call **1-800-557-7395**.

Inspector General Hotline

To report student aid fraud (including identity theft), waste or abuse of U.S. Department of Education funds.

1-800-MIS-USED (1-800-647-8733)

E-mail: oig.hotline@ed.gov

Web site: www.ed.gov/misused

If you paid for a copy of this FREE publication, please write to the address on the right and give us the name and address of the organization that charged you.

Federal Student Aid Information Center

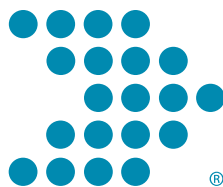
P.O. Box 84
Washington, DC 20044-0084

FUNDING EDUCATION BEYOND HIGH SCHOOL



The Guide to Federal Student Aid | 2010–11

U.S. Department of Education
Federal Student Aid





U.S. Department of Education

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February 2010

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If 877 services are not available in your area, call **1-800-872-5327 (1-800-USA-LEARN)**. Those who use a telecommunications device for the deaf (TDD) or a teletypewriter (TTY), should call **1-800-437-0833**.

You can order up to five copies of this guide by calling the Federal Student Aid Information Center at **1-800-433-3243 (1-800-4-FED-AID)**.

This guide is also available online in PDF and HTML on the Federal Student Aid Web site at www.FederalStudentAid.ed.gov/pubs.

On request, this publication is available in alternate formats, such as Braille, large print or CD. For more information, please contact the Federal Student Aid Information Center at **1-800-433-3243 (1-800-4-FED-AID)**. TTY users should call **1-800-730-8913**.

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The information in this guide was compiled in the summer of 2009. For changes to the federal student aid programs since then, visit www.FederalStudentAid.ed.gov.

All Web site addresses included in this publication were accurate at press time.

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Our Mission

Federal Student Aid, an office of the U.S. Department of Education, plays a central and essential role in the nation's postsecondary education community.

Federal Student Aid's core mission is to ensure that all eligible individuals benefit from federal financial assistance—grants, work-study, and loans—for education beyond high school. The programs we administer comprise the nation's largest source of student aid. Every year, we provide more than \$100 billion in aid to nearly 14 million postsecondary students and their families. Our staff is based in 10 cities in addition to our Washington headquarters.

You have many postsecondary education options from which to choose. Whether you decide to attend a four-year college or university, community college or technical school, the knowledge you gain will be of value to you for the rest of your life, no matter where you go or what you do.

Pursuing education beyond high school is an opportunity you should not deny yourself simply because you are not sure it's for you. Many students don't know what career path to follow. But exposure to different academic subjects, people and points of view helps you decide what career is for you. After high school, you get to study what you are interested in and, when you graduate, you will get paid for your knowledge.

So go for it, and let us help you make it happen.

A Message to Our Readers

This guide will help you through the process of applying for federal student aid.

Education creates opportunities and is an important step toward success. No eligible student should be denied an education because the cost is too high. So, if you're considering education beyond high school (a two- or four-year college, university or trade or career school), we offer financial aid that helps millions of students manage the cost of education each year. There's money available—but you need to apply to receive it.

In this guide we explain the federal student aid process, you will learn more about federal student aid programs—grants, work-study, and loans—and how to apply for them.

Worried about the application process? Don't be. This year the online application is shorter and simpler. You will view and answer questions that apply only to your situation. If you ever have any questions, you can always call our toll-free number **1-800-4-FED-AID (1-800-433-3243)** or visit our Web site at **www.FederalStudentAid.ed.gov**.

At the Web site you will find the online version of this and other publications, and you can apply there for federal student aid online, search for colleges and other sources of aid, and even use interactive calculators for different repayment plans.

If you are not ready to apply for federal student aid, you can receive an estimate of your federal student aid by using *FAFSA4caster*SM at **www.FAFSA4caster.ed.gov** (see page 8 for more information).

Chances are you know someone who took advantage of one or more of our federal student aid programs. It's very possible that you can make this happen for yourself or a family member. So take advantage of federal grant, work-study, and loan programs as well as aid available from your state and the school you plan to attend. The key: Start here, today, and go further.

— The Federal Student Aid Team
U.S. Department of Education





Federal Student Aid At-a-Glance

Whatever type of school you attend after high school—a public or private university, trade school or community college—you have to be thinking about how you are going to pay for it. If you are determined to achieve the success that education beyond high school can bring, the investment is worth it. But that doesn't mean managing these costs isn't a challenge.

Federal Student Aid can help. We assist more than 14 million students each year with grants, work-study and low-interest loans. That is what this guide is all about: steering you through the process of applying for and receiving aid, and repaying your student loans.

Now is the time to take action. You may qualify for more financial aid than you think. Investing a little time now could pay off in a brighter future.

This section is a quick reference to our federal student aid programs and how to apply for this aid. The rest of this publication provides more detail of what you need to know as you go through the federal student aid process.

Do you need help paying for college or for a career or vocational school?

Most student financial aid comes from the federal government programs you will read about in this publication. The U.S. Department of Education's office of Federal Student Aid administers these programs.

Applying for federal student aid is FREE

That is why our application is called the *Free Application for Federal Student Aid* (FAFSASM). If you need help completing the FAFSA, that help is free too. You don't have to pay anyone for help and you should beware of scams and services that will search for financial aid for you for a fee. The *College Scholarship Fraud Protection Act* protects you from this type of fraud. We tell you how to protect yourself from scams on page 24.

The information in this guide was compiled in the summer of 2009. For changes to the federal student aid programs since then, visit www.FederalStudentAid.ed.gov.

The graphic at the lower left and right of each page provides a key to the primary topic—based on the Prepare-Apply-Receive-Repay cycle—covered in the text on that page.



OVERVIEW

PREPARE

APPLY

RECEIVE

REPAY



What is federal student aid?

It's financial help for eligible students to pay for educational expenses at an eligible postsecondary school (e.g., college, vocational school, graduate school).

There are three categories of federal student aid: grants, work-study, and loans. Check with your school to find out which programs your school participates in.

Federal student aid covers expenses such as tuition and fees, room and board, books and supplies, and transportation. Aid also can help pay for a computer and for dependent care.

Who gets federal student aid?

Many factors determine eligibility for federal student aid programs. Our most basic eligibility requirements are that you must

- demonstrate financial need (except for certain loans; see pages 16–22),
- be a U.S. citizen or eligible noncitizen,*
- have a valid Social Security number,
- be working toward a degree or certificate in an eligible program,*
- register (if you haven't already) with the Selective Service, if you're a male between the ages of 18 and 25,
- maintain satisfactory academic progress* in postsecondary school, and
- show you're qualified to obtain a postsecondary education by
 - ▶ having a high school diploma or a General Educational Development (GED) certificate;*
 - ▶ passing an approved ability-to-benefit* test (if you don't have a high school diploma or GED, a school can administer a test to determine whether you can benefit from the education offered at that school);
 - ▶ completing six credit hours or equivalent course work toward a degree or certificate;
 - ▶ meeting other federally approved standards your state establishes; or
 - ▶ completing a high school education in a homeschool setting approved under state law.

How do I apply for federal student aid?

1. Complete the *Free Application for Federal Student Aid* (FAFSASM).

For *FAFSA on the Web*SM, go to www.fafsa.ed.gov. Using *FAFSA on the Web* is faster and easier than using a paper FAFSASM. If you need a paper FAFSA, you can get one from

- our Web site at www.FederalStudentAid.ed.gov/pubs (download a PDF),
- our ED Pubs Web site at www.edpubs.gov, or
- our Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243).

You can apply beginning Jan. 1, 2010; you have until June 30, 2011, to submit your FAFSA. But you need to apply early!

Schools and states often use the FAFSA information to also award nonfederal aid. Their deadlines are usually early in the year. You can find state deadlines at *FAFSA on the Web* or on the paper FAFSA. Check with the schools you're interested in for their deadlines.

2. Review your *Student Aid Report* (SAR).

After you apply, you'll receive a *Student Aid Report*, or SAR. Your SAR contains the information reported on your FAFSA and usually includes your Expected Family Contribution (EFC). The EFC, a measure of your family's financial strength, is used to determine your eligibility for federal student aid. Review your SAR information and make any corrections or changes, if necessary. The school(s) you list on your FAFSA will get your SAR data electronically.

3. Contact the school(s) you might attend.

Make sure the financial aid office at each school you're interested in has all the information needed to determine your eligibility. If you're eligible, each school's financial aid office will send you an award letter showing the amount and types of aid (from all sources) the school will offer you. You can compare award letters from the schools to which you applied and see what aid you can receive from each school.



Federal Student Aid Summary Chart

Program	Type of Aid	Program Details	Annual Amount
Federal Pell Grant	Grant: does not have to be repaid	Available almost exclusively to undergraduates; student may receive up to two consecutive maximum awards in a year if attending school year-round	2010–11: \$609–\$5,550
Federal Supplemental Educational Opportunity Grant (FSEOG)	Grant: does not have to be repaid	For undergraduates with exceptional financial need; Federal Pell Grant recipients take priority; funds depend on availability at school	\$100–\$4,000
Academic Competitiveness Grant (ACG)	Grant: does not have to be repaid	For Pell-eligible students enrolled at least half-time in their first or second year of study or in a certificate program of at least one year at a degree-granting school	
		1st year: must have completed a rigorous secondary school program of study; graduated from high school after Jan. 1, 2006; not have been enrolled in an ACG-eligible program while at or below age of compulsory school attendance	1st year: Up to \$750
		2nd year: must have completed a rigorous secondary school program of study; graduated from high school after Jan. 1, 2005; have at least 3.0 cumulative GPA at the end of first year of postsecondary study	2nd year: Up to \$1,300
National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)	Grant: does not have to be repaid	For Pell-eligible students enrolled at least half-time in third or fourth year (or fifth year of a five-year program) majoring in certain subject areas with at least a 3.0 cumulative GPA	Up to \$4,000 a year
Teacher Education Assistance for College and Higher Education (TEACH) Grant	Grant: does not have to be repaid unless you fail to carry out the service obligation, in which case you must repay TEACH Grant as a Direct Unsubsidized Loan with interest accrued from the date the grant was disbursed	For undergraduate, postbaccalaureate, and graduate students who are taking or will be taking course work necessary to become an elementary or secondary school teacher; recipient must sign an Agreement to Serve promising to teach full-time in a high-need field for four complete academic years (within eight years of completing academic program for which the TEACH Grant was received) at a low-income elementary or secondary school or educational service agency	Up to \$4,000 a year Undergraduate students: total amount may not exceed \$16,000 Graduate student: total amount may not exceed \$8,000
Iraq and Afghanistan Service Grant	Grant: does not have to be repaid	For students who are not Pell-eligible; whose parent or guardian died as a result of military service in Iraq or Afghanistan after Sept. 11, 2001; and who, at the time of the parent's or guardian's death, were less than 24 years old or were enrolled at least part-time at an institution of higher education	Maximum is same as Pell maximum payment adjusted for less-than-full-time study
Federal Work-Study	Money earned while attending school; does not have to be repaid	For undergraduate and graduate students; jobs can be on campus or off campus; students are paid at least federal minimum wage	No annual minimum or maximum amounts
Federal Perkins Loan	Loan: must be repaid	For undergraduate and graduate students; must be repaid to school that made the loan; interest 5%	Undergraduate students: up to \$5,500; graduate and professional students: up to \$8,000
Subsidized Direct* or FFEL** Stafford Loan	Loan: must be repaid	Subsidized: The U.S. Department of Education pays interest while the borrower is in school and during grace and deferment periods; student must be attending at least half-time and have financial need; fixed interest rate of 5.6% for loans made to undergraduates with the first disbursement date between July 1, 2009 and June 30, 2010; fixed rate of 6.8% is set for loans made to graduate students	\$3,500–\$8,500, depending on grade level
Unsubsidized Direct* or FFEL** Stafford Loan	Loan: must be repaid	Unsubsidized: The borrower is responsible for all interest; must be at least half-time; financial need not required; fixed interest rate of 6.8% for new borrowers	\$5,500–\$20,500 (less any subsidized amounts received for same period), depending on grade level and dependency status
Direct* or FFEL** PLUS Loan	Loan: must be repaid	For parents of dependent undergraduate students and for graduate and professional students; students must be enrolled at least half-time; financial need not required Borrower must not have adverse credit history PLUS Loans are unsubsidized, the borrower is responsible for all interest; fixed interest rate is 8.5% for FFEL PLUS Loans and 7.9% for Direct PLUS Loans	Maximum amount is cost of attendance minus any other financial aid student receives; no minimum amount

* This type of loan is from the William D. Ford Federal Direct Loan Program. These loans are also known as Direct Subsidized Loans, Direct Unsubsidized Loans, and Direct PLUS Loans.

** This type of loan is from the Federal Family Education Loan (FFELSM) Program. These loans are also known as Subsidized Federal Stafford Loans, Unsubsidized Federal Stafford Loans, and Federal PLUS Loans.



Steps to Federal Student Aid

STEP

1

Get free information and help from your school counselor, the financial aid office at the college or career school you plan to attend, or the U.S. Department of Education at www.FederalStudentAid.ed.gov or **1-800-4-FED-AID (1-800-433-3243)**. Free help is available any time during the application process. You should never have to pay for help.



STEP

2

Get a Federal Student Aid PIN, a personal identification number. A PIN lets you apply, "sign" your online *Free Application for Federal Student Aid* (FAFSASM), make corrections to your application information and more—so keep it safe. Go to www.pin.ed.gov to get one.



STEP

3

Collect the documents needed to apply, including income tax returns and W-2 forms (and other records of income). A full list of what you need is at www.fafsa.ed.gov. Tax return not completed at the time you apply? Estimate the tax information, apply, and correct information later.



STEP

4

Complete the FAFSA between Jan. 1, 2010, and June 30, 2011 (no exceptions to either date!). BUT, apply as soon as possible after Jan. 1 to meet school and state aid deadlines (see note at bottom of page). Apply online at *FAFSA on the Web* (the faster and easier way) by going to www.fafsa.ed.gov. If you don't already have your PIN, you can get it when you complete the online FAFSA.

STEP

5

The U.S. Department of Education will send you your *Student Aid Report* (SAR)—the result of your FAFSA. Review your SAR and, if necessary, make changes or corrections and submit your SAR for reprocessing. Your complete, correct SAR will contain your Expected Family Contribution (EFC)—the number used to determine your federal student aid eligibility.



STEP

6

The college or trade school that you plan to attend might request additional information from you. Be sure to respond by any deadlines, or you might not receive federal student aid.



STEP

7

All applicants: The college or trade school will tell you how much aid you can get at that school. Contact the financial aid office if you have any questions about the aid being offered. **First-time applicants:** Review award letters from schools to compare amounts and types of aid being offered. Decide which school to attend based on a combination of (a) how well the school suits your needs and (b) its affordability after all aid is taken into account.

Note: You also might be able to get financial aid from your state government, your school, or a private scholarship. Research nonfederal aid early (ideally, start in the spring of your junior year of high school). You can find a free scholarship search at www.FederalStudentAid.ed.gov/scholarship. Be sure to meet all application deadlines!

Process Summary Chart

PREPARE

This guide gives you information about federal student aid programs, as well as other means of paying for your education after high school. Take what we say to heart ... and then take the next step.

APPLY

This step is where many deserving students falter, either because they assume they won't qualify or because the FAFSA looks difficult to complete. In the case of the FAFSA, the improved online version simplifies the application process considerably. It's a good idea to apply. You may be surprised by the amount of aid for which you qualify.

RECEIVE

We'll inform you and your selected schools about your Expected Family Contribution (EFC). Then the schools (or your student loan provider) will tell you how much—and what sorts of—aid you qualify for.

REPAY

If your aid is in the form of a loan or loans, this guide will fill you in on the repayment process.

OVERVIEW

PREPARE

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What You Should Know Before You Apply

Our Federal Student Aid team is committed to making sure that all eligible students can benefit from financial assistance for education beyond high school. Congress authorizes billions of taxpayer dollars for this purpose every year.

The amount and type of federal aid we provide doesn't always depend solely on financial need. Once students apply for aid, many are surprised by the amount of aid they receive. So a good rule of thumb is: Don't assume you're not eligible. Take the time to complete and submit the Free Application for Federal Student Aid—the FAFSASM.

The U.S. Department of Education's office of Federal Student Aid offers a variety of student financial aid programs, which are described in this guide along with other sources you can turn to for financial help in completing your education.

Remember: the more you know about how to make your dreams real, the closer you are to fulfilling them. It's up to you to make it happen.

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Why Should I Invest in an Education? Can't I Get a Job Now?

Maybe you could, but statistics are against you, and the benefits of getting an education last a lifetime. Education beyond high school is a big investment of time, money and effort. You'll need to figure out how to pay for your education but all the effort you put into it will be worth it. Over a working life, a person with a bachelor's degree will earn almost twice as much as someone with just a high school diploma. Higher education equates to more job options and higher earnings (see statistics below). The more education you have, the more you earn.

Earnings and Unemployment Rate for People 25 Years and Over

Unemployment rate in 2008	Level of education completed	Median earnings in 2008
9.0%	Less than a high school diploma	\$27,872
5.7%	High school graduate, no college	\$39,780
5.1%	Some college, no degree	\$45,968
3.7%	Associate degree	\$47,320
2.8%	Bachelor's degree	\$68,172
2.4%	Master's degree	\$81,536
2.0%	Doctoral degree	\$99,892
1.7%	Professional degree	\$106,756

Source: Bureau of Labor Statistics, Current Population Survey, unpublished tables, 2009.

When we refer to "school" in this guide, we mean a two-year or four-year public or private college or university, or a career or trade school.

What questions should I ask when considering a college or career school?

- Does the school offer the courses and type of program I want?
- Do I meet the admissions requirements?
- Does the school offer a high-quality education?
- Does the school participate in federal student aid programs?
- Does the school offer services I need and activities I'm interested in?

Remember to carefully evaluate all relevant aspects of the schools you're considering. Just because a school participates in our federal student aid programs doesn't mean we've endorsed the quality of education the school offers. We don't approve a school's curricula, policies or administrative practices, except as they relate to how the school administers our federal student aid programs.

Where can I find this information?

- Read the school's catalog or introductory materials.
- Talk with students who currently attend or have attended the school you're considering to get their opinion of the school.
- Check the school's Web site.
- Visit the reference section of your local library.
- Talk to high school counselors and your state higher education agency. (See the section "State Higher Education Agencies" on page 53 for a list of agencies and their phone numbers.)
- Check to see if any complaints about the school have been filed with the local Better Business Bureau or the consumer protection division of the state attorney general's office. Search for Better Business Bureau offices at www.bbb.org.

You're paying for a high-quality education. Make sure you get it.



Take the next steps.

Before enrolling, make appointments to visit the colleges or career schools you're considering. Bring a list of questions to ask school representatives. Your education is a major investment, so find out as much information as you can before you enroll.

What additional information should I get from a school?

- Ask about the school's accreditation,* licensing and campus security.
- Find out the school's loan default* rate (the percentage of students who attended the school, took out federal student loans and failed to repay their loans on time). You might not be able to get aid from some of our programs at a school that has a high default* rate.
- Find out the school's job placement rates (the percentage of students who are placed in jobs relevant to their courses of study).

If the school advertises its job placement rates, it must also publish:

- › the most recent employment statistics,
- › graduation statistics, and
- › any other information necessary to back up its claims.

This information must be made available at the time you apply for admission to the school. Make sure you get the information you need and check out all of your options as you prepare for education after high school. It's never too early to get started pursuing a career, so don't wait until the last minute to get started! Know what to expect from the schools you're considering.

Find out about financial aid at the school.

You have the right to receive the following information from the school:

- The location, hours and counseling procedures for the school's financial aid office.
- The financial aid assistance available, including federal, state, local, private and institutional financial aid programs.
- The procedures and deadlines for submitting applications for each available financial aid program.
- The school's criteria for selecting financial aid recipients.

- The school's process for determining your financial need.
- The school's process for determining the type and amount of assistance in your financial aid package.*
- The method and timing of financial aid payments made to you.
- The school's basis for determining whether you're making satisfactory academic progress,* and what happens if you're not. (Whether you continue to receive federal student aid depends, in part, on whether you make satisfactory academic progress.*)
- If you're offered a Federal Work-Study job, the nature of the job, the hours you must work, your job duties, the pay and the method and timing of payment to you.

Find out the school's refund policy.

If you enroll but never begin classes, you should get most of your money back. If you begin attending classes but leave before completing your course work, you might be able to get some of your money back.

Find out the school's return-of-aid policy.

If you receive federal student aid from any program mentioned in this publication (except for Federal Work-Study), and you withdraw from school, some of that money might have to be given back to the source by you or by your school. Even if you don't finish your course work, you'll have to repay the loan funds you received, minus any student loan funds your school has returned to your lender.

Find out the school's completion and transfer-out rates.

If many students withdraw from a school, it might indicate a problem with the school. A school is required to tell current and prospective students the percentage of students who complete the school's programs and the percentage of students who transfer out.

MyFSA

You can create a free, personalized student portfolio at our Web site—*Student Aid on the Web*—at www.FederalStudentAid.ed.gov/myfsa.



What can I do with a MyFSA account?

With your MyFSA account, you can:

Create a profile. The information you enter about yourself will be stored in your Profile. Make sure to keep your information as accurate and up-to-date as possible.

Search for colleges and scholarships. Any colleges you add to MyFSA will be stored and will be used in worksheets and tables you use in MyFSA. You may add or delete colleges from this list at anytime and search for potential scholarships that match your profile.

Apply for colleges. MyFSA will track where you stopped entering your information and will link you to all applications in progress. It will also provide the date and confirmation number of your submitted applications.

Store and access financial aid information. Any scholarships, loans, and cost of attendance information are saved in the Financial Aid Wizard. You can even calculate an estimated family contribution (EFC). This section of MyFSA also uses the schools from the Colleges section to calculate approximate costs. You also have the option of populating certain fields on *FAFSA on the Web*SM, *FAFSA4caster*SM, and electronic college admission applications.

Create an event calendar. Access your personal or college events on a daily, weekly, or monthly basis.

Research careers. Once you have completed the Self Assessment and Career Finder, any careers or majors that have met your specifications can be stored and accessed.

Have a planner output. Once you have completed the Student Planner, your results can be stored and accessed.

*FAFSA4caster*SM

What is *FAFSA4caster*SM?

FAFSA4caster is an online tool to help you and your family prepare financially for college **before** officially applying for federal student aid. It provides an estimate of federal student aid eligibility by instantly calculating an estimated Expected Family Contribution*—the indicator used to estimate your family's or a student's financial strength. *FAFSA4caster* determines what type of federal aid (grants, work-study and loans) the student is eligible to receive and provides an estimated award amount for each.

Who should use *FAFSA4caster*SM?

Any student considering applying for federal student aid can use *FAFSA4caster* before officially applying for aid using the FAFSA. Parents of younger students can use it to receive early estimates, create scenarios based on future earnings, and establish college savings strategies. Students considering going back to college can also use *FAFSA4caster* to get an idea of how much federal aid they may qualify to receive. The benefit of using *FAFSA4caster* goes beyond early estimates. Most of the data entered in *FAFSA4caster* will populate a portion of *FAFSA on the Web* when you officially apply for federal student aid.

NOTE: To apply for aid, you must use *FAFSA on the Web* at www.fafsa.ed.gov.

How do I get started?

You can access *FAFSA4caster* at www.fafsa4caster.ed.gov. Remember that the *Free Application for Federal Student Aid* (FAFSA) or *FAFSA on the Web*, the online version, is the application used to apply for federal student aid. But if you're not ready to file the FAFSA, you can submit a *FAFSA4caster* to receive an early estimate of your student aid eligibility.

What information does *FAFSA4caster*SM provide?

When you submit your *FAFSA4caster*, you will be able to see what college might cost depending on the type of school you plan to attend. If you plan to attend school full-time at a four-year public school, it shows the types of federal student aid that might help cover that and provides examples of aid awards showing in-state and out-of-state costs. Finally, *FAFSA4caster* shows any estimated financial need that remains after the estimated aid amounts and EFC* are taken into account.

Reducing the Cost of Education

There are other options you might consider to lower the cost of your education after high school. The following are a few ideas to think about.

Lower-cost schools

If you'll be working toward a bachelor's degree, you might consider starting at a two-year community college and then transferring to a four-year school. Community colleges are usually less expensive than four-year schools. (Some four-year schools that are partially funded by local or state taxes can be less expensive as well.) If attending a community college allows you to live at home, you



can save money on room and board. If you decide to start at a community college, make sure your community college courses will transfer to your four-year college and that they will count toward your bachelor's degree. Many community colleges have "articulation agreements" with four-year colleges under which the course work taken at the community college transfers into the four-year degree program. Be sure to ask about the types of articulation agreements the community college has, with whom, and for what programs of study. Discuss any concerns you have about transfer courses and credits with the college registrar at the college you're transferring to.

State Higher Education Agency

Contact your state Higher Education Agency (see page 53) about any aid program or scholarship sponsored by your state.

Work or volunteer opportunities

You can work part-time to pay part of your costs. Be sure your work and school schedules don't conflict and that you save enough time for studying.

Federal income tax credits

There are two tax credits available to help you offset the costs of higher education by reducing the amount of your income tax. They are the Hope Credit and the Lifetime Learning Credit, also referred to as education credits. See pages 23–24 for additional information.

Tax breaks

Certain borrowers can take a tax deduction for the interest actually paid on student loans. This benefit applies to all loans used to pay for postsecondary education school expenses. The maximum deduction is \$2,500 a year. See Internal Revenue Service (IRS) *Publication 970, Tax Benefits for Higher Education*, Chapter 4 at www.irs.gov.

Am I Eligible?

Basic requirements

To receive aid from the federal student aid programs discussed in this guide, you must meet certain criteria.

Financial need

Except for some loan programs, you must show that you have financial need, according to our requirements. See "Financial Need and Expected Family Contribution* (EFC)" on page 11.

Education requirements

- You must demonstrate by one of the following means that you are qualified to enroll in postsecondary education:
 - ▶ Have a high school diploma or a General Educational Development (GED) certificate.*
 - ▶ Pass an approved ability-to-benefit* (ATB) test. If you don't have a diploma or GED, you can take an approved ATB test to determine whether you can benefit from the education offered at that school.
 - ▶ If you don't have a high school diploma or its equivalent, you may become eligible to receive federal student aid if the institution you plan on attending determines you have the ability to benefit from post secondary education if you satisfactorily complete six credit hours or the equivalent coursework toward a degree or certificate offered by the institution. You will, however, be ineligible to receive aid while earning the six credit hours.
 - ▶ Meet other standards your state established and that we have approved.
 - ▶ Complete a high school education in a homeschool setting approved under state law.
- You must be enrolled or accepted for enrollment as a regular student* working toward a degree or certificate in an eligible program.*
- You must meet satisfactory academic progress* standards set by the postsecondary school you are or will be attending.
- You might be able to receive aid for distance education courses as long as they are part of a recognized certificate or degree program.

Intellectual disabilities

Students with intellectual disabilities can receive federal student aid under the Federal Pell Grant Program, FSEOG Program and Federal Work-Study Program. To be eligible, you must

- be enrolled or accepted for enrollment in a comprehensive transition and postsecondary program for students with intellectual disabilities at an institution of higher education;
- be maintaining satisfactory progress; and
- meet the other student eligibility criteria.



A comprehensive transition and postsecondary program for students with intellectual disabilities means a degree, certificate, or nondegree program that

- is offered by an institution of higher education;
- is designed to support students with intellectual disabilities who are seeking to continue academic, career and technical, and independent living instruction in order to prepare for gainful employment;
- includes an advising and curriculum structure; and
- requires students with intellectual disabilities to participate on not less than a half-time basis with nondisabled students in (1) regular enrollment in credit-bearing courses, (2) auditing or participating in courses for which the student does not receive regular academic credit, (3) enrollment in noncredit-bearing, nondegree courses, or (4) participation in internships or work-based training.

Children of military personnel killed in Iraq or Afghanistan after Sept. 11, 2001

If your parent or guardian died as a result of military service in Iraq or Afghanistan after Sept. 11, 2001, you may be eligible for aid if, at the time of the parent's or guardian's death, you were less than 24 years of age or enrolled at least part-time at an institution of higher education. Payments are adjusted if you are enrolled less than full-time.

- **Pell Grants:** If you are eligible to receive a Pell Grant, it will be determined that you have a zero EFC,* which can increase your eligibility for all federal student aid programs and maximize your Pell amount.
- **Iraq and Afghanistan Service Grants:** If you are not eligible to receive a Pell Grant you will be eligible to receive this non-need-based grant; however, your EFC will not be changed and therefore neither will your eligibility for any need-based federal student aid. The maximum amount of this grant is the same as the maximum Pell Grant award but may not exceed the cost of attendance.*

Legal and other requirements

- You must be a U.S. citizen or eligible noncitizen.*
- You must have a valid Social Security number (SSN). If you don't have an SSN, you can find out more about applying for one at www.ssa.gov or by calling 1-800-772-1213. TTY users can call 1-800-325-0778.

- When you apply for federal student aid you sign a statement that certifies that you will use federal student aid for educational purposes only. You also certify that you are not in default* on a federal student loan and do not owe a refund on a federal student grant (which could happen if you withdraw from school, for example).
- You must comply with Selective Service registration.* If you're a male aged 18 through 25 and you have not registered you can, at the same time you complete your FAFSA, give the Selective Service System permission to register you by means of the FAFSA. You can also register online at www.sss.gov or call 1-847-688-6888. TTY users can call 1-847-688-2567.

Drug Conviction?

The question asks if you have been convicted for the possession or sale of illegal drugs for an offense that occurred while you were receiving federal student aid (such as grants, loans, and work-study).

- Generally, if you have been convicted for the possession or sale of illegal drugs for an offense that occurred while you were receiving federal student aid, you will be ineligible for a period of time based on the type and number of convictions. If you answer "Yes" to this question, it is very important that you complete and submit the FAFSA to determine your eligibility. If you are submitting a paper FAFSA, you will be mailed a worksheet to assist you in determining whether your conviction affects your eligibility for federal student aid. If you are applying using *FAFSA on the Web* at www.fafsa.ed.gov, you will be provided the electronic version of the same worksheet during your online session. If you need assistance or have any questions on how to answer this question, call 1-800-4-FED-AID (1-800-433-3243) for help from the Federal Student Aid Information Center. Even if you're ineligible for federal student aid because of a drug conviction, you should still complete the FAFSA because most schools and states use FAFSA information to award nonfederal aid.

If you have lost federal student aid eligibility due to a drug conviction, you can regain eligibility if you pass two unannounced drug tests conducted by a drug rehabilitation program that complies with criteria established by the U.S. Department of Education.



- You have limited eligibility for federal student aid while you're incarcerated. Generally, you're only eligible for a Pell Grant and then only if you're NOT incarcerated in a federal or state penal institution. Check with the financial aid office at the school you plan on attending.

Match requirements

When you apply for federal student aid, we verify some of your information with certain federal agencies, including the Social Security Administration (for verification of Social Security numbers and U.S. citizenship status) and the Department of Homeland Security (to verify Alien Registration numbers). If the information doesn't match, the discrepancy must be resolved before you can receive federal student aid. We also check your information against our National Student Loan Data SystemSM (NSLDSSM),* to verify that you haven't defaulted on your federal student loan, haven't received an overpayment on a federal grant or a Federal Perkins Loan and haven't borrowed more than the total limit allowed. We also check your information against Veterans Affairs if you answer that you are a veteran. Most males between the ages of 18 and 25 must register with Selective Service in order to be eligible for federal student aid, so we check with this agency as well.

DID YOU KNOW ...

Federal Student Aid issued \$100 billion in aid in 2008. Fourteen million students in 6,200 postsecondary institutions received these loans.

Financial need and Expected Family Contribution (EFC)

Aid for most of our programs is awarded based on financial need (except for **unsubsidized Stafford Loans, PLUS Loans, and TEACH Grants**). See page 14 and pages 18–21. The EFC is a measure of your family's financial strength and resources that should be available to help pay for your education.

The EFC is calculated from the information you report on the FAFSA and according to a formula established by law. Your family's income (taxable and untaxed) and assets are considered in determining your EFC. Your family size and the number of family members who will be attending a college or career school are also considered. Your EFC will appear on the *Student Aid Report** (SAR) you receive after you file your FAFSA. To determine your financial need for federal student aid programs (except for an unsubsidized Stafford Loan), your school subtracts the Expected Family Contribution (EFC) from your cost of attendance.*

Determining Your Financial Need

We use your Expected Family Contribution* (EFC) to determine your financial need:

$$\begin{aligned} &\text{Cost of Attendance*} \\ &\text{– Expected Family Contribution (EFC)} \\ &\text{= Financial Need} \end{aligned}$$

The school uses federal grants and other financial aid to meet your financial need. Because the EFC formula must be applied to each family's financial information, we cannot tell you here whether you will be eligible for federal student aid or estimate how much aid you might receive. If you'd like to get an estimate of your financial aid award use *FAFSA4caster* at www.fafsa4caster.ed.gov. The information you submit with *FAFSA4caster* can be used to populate some of your *FAFSA on the Web* when you're ready to apply for aid (see page 8). But remember, to find out exactly what you will be eligible to receive, you must apply for financial aid. If you want to see how the EFC formula works, you can get detailed worksheets from our Web site at www.FederalStudentAid.ed.gov/pubs. Click on the year under "The EFC Formula" or you can call the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243).

After you receive your SAR,* you will also receive an award letter* from the school(s) listed on your FAFSA that offer you admission. Contact the financial aid office at the school(s) that sent you an award letter* if you have questions about your student financial aid award.

Unusual family circumstances

The EFC formula is basically the same for all applicants, but there is some flexibility. Your financial aid administrator (FAA)* can adjust the cost of attendance* or the information used to calculate your EFC to take into account your unusual circumstances. These circumstances could include your family's unusual medical expenses, tuition expenses or unemployment. The FAA must have good reasons to use professional judgment to make adjustments because of unusual circumstances. You will have to provide documentation to support any adjustments. For example, for the 2009–10 award year, financial aid administrators may use the letter from the state unemployment agency or other evidence that a student is receiving unemployment benefits to document the loss of income from work. The FAA's decision as to whether to make changes is final and can't be appealed to us.

*See "Important Terms," page 49.



The following are several additional examples of unusual circumstances that FAAs may consider as factors in making an adjustment in the expected family contribution* calculation or to the cost of attendance.* These examples are:

- nursing home expenses not covered by insurance;
- dependent care costs;
- a student or family member who is a dislocated worker; and
- a change in housing status that results in homelessness.

Types of Federal Student Aid

There are three types of federal student aid:

- Grants—financial aid that doesn't have to be repaid (unless, for example, you withdraw from school and owe a refund).
- Work-Study—allows you to earn money for your education.
- Loans—allow you to borrow money for your education. You must repay your loans, with interest.

Grants

There are six types of federal student aid grants:

- Federal Pell Grant
- Federal Supplemental Educational Opportunity Grant (FSEOG)
- Academic Competitiveness Grant (ACG)
- National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)
- Teacher Education Assistance for College and Higher Education (TEACH) Grant (this grant will be converted to a Federal Direct Unsubsidized Loan that you must repay, with interest, if you don't fulfill your teaching service obligation)
- Iraq and Afghanistan Service Grants

Unlike loans, grants are not repaid unless, for example, you are awarded funds incorrectly or you withdraw from school prior to the planned end of term or, if you have a TEACH Grant, you do not meet the terms in your "Agreement to Serve" (additional details on that follow).

Almost all federal grants are awarded to students with financial need. The amount of your Federal Pell Grant depends on your cost of attendance, expected family contribution, enrollment status (full- or part-time) and whether you attend for a full academic year* or less. To receive an FSEOG, ACG, or National SMART Grant, you must first be eligible to receive a Federal Pell Grant. For FSEOG, priority is given to Pell Grant recipients; non-Pell recipients can receive awards if the institution has sufficient funds. The amount of your FSEOG, ACG and National SMART Grant depends on your financial need and other criteria (see Financial need and Expected Family Contribution [EFC] on page 11).

What is a Federal Pell Grant?

- Pell Grants are the foundation of federal student financial aid, to which aid from other federal and nonfederal sources might be added.
- Pell Grants are generally awarded only to undergraduate students—those who haven't earned a bachelor's or graduate degree.
- In some limited cases, however, you might receive a Pell Grant if you're enrolled in a postbaccalaureate teacher certificate program.
- Amounts can change yearly. The maximum award for the for the 2010–11 award year was \$5,550.
- You may receive up to two consecutive Pell Grant awards during a single award year to accelerate your program toward your degree. You must be enrolled at least half-time and in a program that leads to an associate or bachelor's degree or certificate. Summer 2009 may be paid from either 2009–10 or 2010–11 funds and summer 2010 may be paid from either 2010–11 or 2011–12 funds; contact your FAA* if you are receiving payment for the summer from the year in which you are less eligible.
- The maximum award grant is given for any Pell Grant-eligible student whose parent or guardian was a member of the U.S. Armed Forces and died as a result of service performed in Iraq or Afghanistan after Sept. 11, 2001. You must be under 24 years old or enrolled at least part-time in college at the time of your parent's or guardian's death. Effective July 1, 2010, if you are not eligible for a Pell Grant but your parent or guardian met the same post-Sept. 11, 2001 conditions above, you will be eligible to receive an Iraq and Afghanistan Service Grant equal to the amount of a maximum Pell Grant for the award year, except that the amount will not exceed the cost of attendance for that award year.



- If you're eligible for a Pell Grant you'll receive the full amount you qualify for—each school participating in the program receives enough funds each year from the U.S. Department of Education to pay the Pell Grant amounts for all its eligible students.
- The amount of other student aid you might qualify for does not affect the amount of your Pell Grant.
- You are not eligible to receive a Pell Grant if you are subject to an involuntary civil commitment upon completion of a period of incarceration for a forcible or nonforcible sexual offense.
- You can receive Pell Grants only up to 18 semesters, or the equivalent, if you received a Pell Grant for the first time on or after July 1, 2008.

What is a Federal Supplemental Educational Opportunity Grant (FSEOG)?

- FSEOGs are awarded to undergraduate students with exceptional financial need—those with the lowest Expected Family Contribution* (EFC) numbers.
- Federal Pell Grant recipients receive priority for FSEOG awards.
- FSEOG awards range from \$100 to \$4,000 a year. The amount of the award is determined by your school's financial aid office.
- Unlike Pell Grants, the amount of FSEOGs you receive depends not only on your financial need but also on the amount of other aid you get and the availability of funds at your school.
- Receiving other aid might reduce the amount of your FSEOG award.
- Not all schools participate in the FSEOG Program.
- The school's financial aid office decides how to award these funds.
- Each school participating in the FSEOG Program receives a certain amount of FSEOG funds each year from the U.S. Department of Education's office of Federal Student Aid. When all of those funds have been disbursed for that award year, no more FSEOG awards can be made for that year.
- Due to limited funds, it's important to apply early to be considered for these funds. Not everyone who qualifies for an FSEOG will get one.

What is an Academic Competitiveness Grant (ACG)?

The maximum award for a first-year eligible undergraduate student is \$750; the maximum award for a second-year eligible undergraduate student is \$1,300.

ACG Requirements

To receive an ACG, you must

- be Pell Grant-eligible during the same award year;
- be enrolled at least half-time;*
- be a first-year or second-year undergraduate student or a student in a certificate program of at least one year in a degree program at a two-year or four-year degree-granting institution;
- have completed a rigorous secondary school program of study; and
- if a first-year student, have completed secondary school after Jan. 1, 2006; not have been enrolled in an ACG-eligible program while at or below the age of compulsory school attendance except as part of a dual-enrollment program; or
- if a second-year student, have completed secondary school after Jan. 1, 2005, and have at least a 3.0 grade point average as of the end of the first year of undergraduate study.

For a list of recognized rigorous programs of secondary school study in your state visit www.ed.gov/admins/finaid/about/ac-smart/state-programs.html.

What is a National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)?

This grant program is for full-time undergraduate students who are enrolled in the third or fourth year of undergraduate study. The award is for up to \$4,000 for each of the third and fourth years.

National SMART Grant Requirements

To receive a National SMART Grant, you must

- be Pell Grant-eligible during the same award year;
- be enrolled at least half-time;*
- be in the third or fourth year* of an undergraduate degree program (or fifth year of a five-year program);
- be pursuing a major with at least a 3.0 cumulative GPA in physical, life, or computer sciences, mathematics, technology, engineering or a critical foreign language, or a non-major in a single liberal arts program; and



- have at least a 3.0 GPA as of the end of the second award year and continue to maintain a 3.0 GPA that must be checked prior to the beginning of each payment period (e.g., semester).

For a list of National SMART Grant-eligible majors, visit ifap.ed.gov/dpccletters/GEN0909.html.

What is the difference between the ACG and the National SMART Grant?

- The **ACG** is for undergraduate students who are enrolled in the first or second a year of an eligible program* in any field, who have completed a rigorous secondary school program of study, and who also have at least a 3.0 cumulative GPA at the end of the first year.
- The **National SMART Grant** is for undergraduate students who are enrolled in the third or fourth year of an eligible program* (or fifth year of a five-year program) and pursuing an eligible major with at least a 3.0 cumulative GPA. A student does not have to complete a rigorous secondary school program of study to be eligible for this grant.

There are additional steps you need to take to ensure you're considered for an ACG. Students who fill out *FAFSA on the Web* are asked questions particular to the ACG. If you're eligible for a Federal Pell Grant, and within the age range to have graduated from high school after Jan. 1, 2005, these questions appear as additional screens during the application process. The paper FAFSA does not contain these questions.

If you file the paper FAFSA, if you are eligible for a Federal Pell Grant, and within the age range to have graduated from high school after Jan. 1, 2005, in your *Student Aid Report** (SAR) you will be instructed to use *FAFSA on the Web* or call the Federal Student Aid Information Center (**1-800-433-3243**) to provide additional information. When you receive a SAR, remember to read the comments and respond appropriately. Because of this extra step in the paper process, we urge you apply for federal student aid using the online application, *FAFSA on the Web*.

What is a TEACH Grant?

The Teacher Education Assistance for College and Higher Education (TEACH) Grant Program provides you with up to \$4,000 a year in grant assistance if you are completing or plan to complete course work needed to begin a career in teaching.

As a condition for receiving a TEACH Grant, you must sign an Agreement to Serve* promising to teach full-time in a high-need field at a low-income school or educational service agency, or teach at certain low-income schools and within certain high-need fields for at least four complete academic years within eight years after completing (or ceasing enrollment in) the course of study for which you received the grant.

If you do not complete your teaching service obligation, the amounts of the TEACH Grants you received will be converted to a Direct Unsubsidized Loan that you must repay with interest charged from the date of each TEACH Grant disbursement.

For detailed information on this grant, visit www.teachgrant.ed.gov.

Iraq and Afghanistan Service Grant

If you are not eligible for a Pell Grant but your parent or guardian was a member of the U.S. Armed Forces and died as a result of service performed in Iraq or Afghanistan after Sept. 11, 2001, you are under 24 years old or enrolled in college at the time of your parent's or guardian's death, you will be eligible to receive an Iraq and Afghanistan Service Grant equal to the amount of a maximum Pell Grant for the award year, except that the amount will not exceed that cost of attendance for that award year. You must be at least a part-time student at the time of your parent's or guardian's death.

How much financial aid can I get?

Pell Grant

- Pell Grant award amounts can change yearly. The maximum award for the 2010–11 award year is \$5,550.
- How much grant aid you get depends on:
 - ▶ Your EFC.
 - ▶ Your cost of attendance.*
 - ▶ Whether you're a full-time or half-time student.
 - ▶ Whether you attend school for a full academic year.*
- You may receive up to two Pell Grants in an award year.
- You may not receive Pell Grant funds from more than one school at a time.



FSEOG

- You can get between \$100 and \$4,000 per academic year,* depending on:
 - ▶ When you apply.
 - ▶ Your financial need.
 - ▶ The funding level of the school you're attending.
 - ▶ The policies of your school's financial aid office.

ACG

- Up to \$750 for first-year students.
- Up to \$1,300 for second-year students.

National SMART Grant

- Up to \$4,000 for each of the third and fourth years (or fifth year of a five-year program).

TEACH Grant

- Up to \$4,000 per year.

How will I be paid?

Your school will:

- Credit your grant funds to your school account;
- Pay you directly (usually by check);
- Combine these methods; or
- With your permission, credit your bank account.

How often will I receive funds?

- Schools must pay you at least once per term (semester, trimester or quarter).
- Schools that don't use formally defined, traditional terms (e.g., semester, quarter, etc.) must pay you at least twice per academic year.*

Can I receive a grant if I'm enrolled less than half-time?

Yes, less than half-time students are eligible for Pell, FSEOG and TEACH Grants.

The information in this guide was compiled in the summer of 2009. For changes to the federal student aid programs since then, visit www.FederalStudentAid.ed.gov.

Work-Study

What is the Federal Work-Study (FWS) Program?

Under the FWS Program, you can work part-time to earn money for your education. The FWS Program:

- Provides part-time employment while you are enrolled in school.
- Helps pay your educational expenses.
- Is available to undergraduate and graduate students.
- Is available to full-time or part-time students.
- Is administered by schools participating in the FWS Program.

What kinds of jobs are there?

The FWS Program provides jobs for students demonstrating financial need and emphasizes employment in civic education and work related to your course of study, whenever possible.

Are Federal Work-Study jobs on campus or off campus?

Both. 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.

Some schools might have agreements with private for-profit employers for FWS jobs. These jobs must be relevant to your course of study (to the maximum extent possible). If you attend a proprietary school (i.e., a for-profit institution), there may be further restrictions on the types of jobs you can be assigned.

How much can I earn?

You'll earn at least the current federal minimum wage. However, the amount might be higher depending on the type of work you do and the skills required for the position.

Your total FWS award depends on:

- When you apply,
- Your level of financial need, and
- Your school's funding level. (The U.S. Department of Education's office of Federal Student Aid provides a certain amount of work-study funds to participating schools; when all funds have been awarded, no additional work-study awards can be made for that year.)



How will I be paid?

- Undergraduate student—by the hour.
- Graduate student—by the hour or by salary, depending on the work you do.
- Your school must pay you at least once a month.
- Your school must pay you directly unless you request that the school:
 - ▶ Send your payments directly to your bank account; or
 - ▶ Use the money to pay for your education-related institutional charges such as tuition, fees and room and board.

Can I work as many hours as I want?

No. The amount you earn can't exceed your total FWS award. When assigning work hours, your employer or FAA* will consider your class schedule and your academic progress.

Loans

Student loans, unlike grants and work-study, are borrowed money that must be repaid, with interest, just like car loans and home 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 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. *Your Federal Student Loans: Learn the Basics and Manage Your Debt* can help you learn more about federal student loan debt. You can find this publication at www.studentaid.ed.gov/repayingpub.

Types of loans:

- **Federal Perkins Loans are:**
 - ▶ Made through participating schools to undergraduate, graduate and professional degree students.
 - ▶ Offered to students who demonstrate financial need.
 - ▶ Made to students enrolled full-time or part-time.
 - ▶ Repaid to your school.

- **Stafford Loans (Direct or FFELSM)** are for undergraduate, graduate and professional degree students. You **must** be enrolled as at least a half-time* student to be eligible for a Stafford Loan. There are two types of Stafford Loans: subsidized and unsubsidized. You must have financial need to receive a subsidized Stafford Loan. The U.S. Department of Education will pay (subsidize) the interest that accrues on subsidized Stafford Loans during certain periods. Financial need is not a requirement to obtain an unsubsidized Stafford Loan. You are responsible for paying the interest that accrues on unsubsidized Stafford Loans.
- **PLUS Loans (Direct or FFEL)** are loans parents can obtain to help pay the cost of education for their dependent undergraduate children. In addition, graduate and professional degree students may obtain PLUS Loans to help pay for their own education.
- **Consolidation Loans (Direct or FFEL)** allow student or parent borrowers to combine multiple federal education loans into one loan with one monthly payment. (See page 44 for more information on these loans.)

These loans are made through one of two U.S. Department of Education programs:

William D. Ford Federal Direct Loan (Direct Loan) Program

Loans made through this program are referred to as Direct Loans. Eligible students and parents borrow directly from the U.S. Department of Education at participating schools. Direct Loans include subsidized and unsubsidized Direct Stafford Loans (also known as Direct Subsidized Loans and Direct Unsubsidized Loans), Direct PLUS Loans, and Direct Consolidation Loans. *You repay these loans directly to us.*

Federal Family Education Loan (FFELSM) Program

Loans made through this program are referred to as FFEL Loans. Private lenders provide funds that are guaranteed by the federal government. FFEL Loans include subsidized and unsubsidized FFEL Stafford Loans, FFEL PLUS Loans and FFEL Consolidation Loans. *You repay these loans to the bank or private lender that made you the loan.*

Whether you (or your parents) receive a Stafford or PLUS Loan depends on which program the school you attend participates in. Most schools participate in one or the other, although some schools participate in both.



At the time this publication went to print, Congress was considering a proposal that would eliminate the FFEL Program, beginning with the 2010–11 school year, and would have Stafford, PLUS and consolidation loans funded from the Direct Loan Program. For up-to-date information, please visit www.FederalStudentAid.ed.gov.

What's the interest rate on these loans?

Subsidized Stafford Loans made to undergraduate students with a first disbursement date between July 1, 2009, and June 30, 2010, have a fixed interest rate of 5.6% (see the chart below for information on future interest rate reductions).

Subsidized Stafford Loans made to graduate students have a fixed interest rate of 6.8%.

All unsubsidized Stafford Loans (for both undergraduate and graduate students) have a fixed interest rate of 6.8%.

FFEL PLUS Loans have a fixed interest rate of 8.5%.

Direct PLUS Loans have a fixed interest rate of 7.9%.

The Federal Perkins Loans rate is 5%.

The interest rate on subsidized Stafford Loans made to undergraduate students, with a first disbursement date on or after July 1, 2008, will be reduced in future years, as shown in the following chart:

Interest Rate Reductions for Subsidized Stafford Loans Made to Undergraduates

First disbursement of a loan:		Interest rate on the unpaid balance
Made on or after	And made before	
July 1, 2010	July 1, 2011	4.5%
July 1, 2011	July 1, 2012	3.4%

These interest rate reductions do not affect the interest rates of any prior Subsidized Stafford Loans made to undergraduate borrowers; the interest rates on those prior loans remain unchanged. The reduced interest rates **apply only to subsidized Stafford Loans made to undergraduate students**. Subsidized Loans made to graduate students and unsubsidized Stafford Loans made to all students (undergraduate or graduate) have a fixed interest rate of 6.8%.

No interest accrual for borrowers in the military

No interest accrues (for a period of no more than 60 months) on Direct Loans* disbursed on or after Oct. 1, 2008, for eligible military borrowers while serving on active duty or performing qualifying National Guard duty during a war or other military operation or other emergency, and serving in an area of hostilities qualifying for special pay. You may also qualify for deferment of repayment on your loans while serving on active duty in the military (see page 43).

The information in this guide was compiled in the summer of 2009. For changes to the federal student aid programs since then, visit www.FederalStudentAid.ed.gov.

What are the differences in these loan programs?

The chart on page 18 shows the basic loan terms and conditions of the different types of loans. The financial aid office at your school can explain which programs are available to you.

How do I apply for a Perkins or Stafford Loan?

As with all federal student 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.

DID YOU KNOW ...

The value of a postsecondary education as a credential for future employment and earnings is expected to rise. About 90 percent of the fastest-growing jobs in the new knowledge-driven market economy require some postsecondary education.

Student Loan Comparison Chart

Loan Program	Eligibility	Award Amounts	Interest Rates	Lender/Length of Repayment
Federal Perkins Loans	Undergraduate and graduate students	Undergraduate—up to \$5,500 a year (maximum of \$27,500 as an undergraduate) Graduate—up to \$8,000 a year (maximum of \$60,000, including undergraduate loans) Amount actually received depends on financial need, amount of other aid, availability of funds at school	5%	Lender is your school Repay your school or its agent Up to 10 years to repay, depending on amount owed
FFEL Stafford Loans (subsidized and unsubsidized)	Undergraduate and graduate students; must be enrolled at least half-time*	Depends on grade level in school and dependency status (see chart on page 20) Financial need is required for subsidized loans Financial need is not necessary for unsubsidized loans	Fixed rate of 5.6% for subsidized loans with a first disbursement date between July 1, 2009 and June 30, 2010 (see page 17 for more information) Fixed rate of 6.8% for subsidized loans made to graduate students and for all unsubsidized loans 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
Direct Stafford Loans (subsidized and unsubsidized)	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
FFEL PLUS Loans	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 <hr/> = Maximum loan amount	Fixed rate at 8.5%; borrower pays all interest	Same as for FFEL Stafford Loans above
Direct PLUS Loans	Same as above	Same as above	Fixed rate at 7.9%; borrower pays all interest	Same as for Direct Stafford Loans above

How much can I borrow?

Perkins Loans

The Student Loan Comparison Chart on this page shows the maximum Perkins Loan funds you can receive, depending on whether you're an undergraduate, graduate or professional degree student. However, the amount you can borrow might be less than the maximum available.

- Each school participating in the Federal Perkins Loan program receives a certain amount of Perkins funds each year from the U.S. Department of Education's office of Federal Student Aid.

- Due to limited funds, it's important to apply early to be considered for these funds. Not everyone who qualifies for a Perkins Loan might get one.
- Submit your FAFSA early so you can be considered for these funds.

At the time this publication went to print, Congress was considering a proposal that would eliminate the FFEL Program, beginning with the 2010–11 school year, and would have Stafford, PLUS and consolidation loans funded from the Direct Loan Program. For up-to-date information, please visit www.FederalStudentAid.ed.gov.



Stafford Loans (Direct and FFEL)

The Maximum Annual Loan Limits Chart—Subsidized and Unsubsidized Direct and FFEL Stafford Loans on page 20 shows that the maximum amount you can borrow depends on:

- What year you are in school; and
- Whether you are a dependent or independent student.

Subsidized Stafford Loan

- Available to students who demonstrate financial need.
- Eligible students can apply for a subsidized Stafford 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 (referred to as a "grace period").
 - ▶ During a period of deferment (a postponement of loan payments).

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

Unsubsidized Stafford Loan

- Does not require students to demonstrate financial need.
- You are responsible for paying interest on subsidized and unsubsidized loans during all periods.

To determine the amount of your unsubsidized loan, your school will use this equation:

Cost of Attendance*

– Federal Pell Grant (if eligible)

– Subsidized Stafford Loan amount (if eligible)

– Any other financial aid you receive

= Amount of unsubsidized loan you receive (up to the annual maximum loan amount)

Depending on your financial need, you may receive both subsidized and unsubsidized loans for the same enrollment period, but the total amount of these loans may not exceed the annual loan limit.

For an *unsubsidized* loan:

- You're responsible for paying the interest that accrues on the loan from the time the loan is disbursed until it's paid in full.

- You can pay the interest while you're in school or during a period of deferment or forbearance.
- Or, you can allow the interest to accrue (accumulate) and have the interest added to the principal* amount of your loan. This is called "capitalization." If you choose not to pay the interest as it accrues and allow it to be capitalized,* this will increase the total amount that you have to repay because you will be charged interest on a higher principal* amount.

Other than interest, are there any fees or charges required to get these loans?

- Federal Perkins Loans—**No**.
- Direct Loans—**Yes**, for all Direct Subsidized Loans and Direct Unsubsidized Loans first disbursed on or after July 1, 2009 and before July 1, 2010, the loan origination fee is 1.5 percent. The Direct PLUS Loan origination fee is 4 percent for loans made to both parent and graduate and professional degree student borrowers.
- FFEL Loans—**Yes**, you may be charged fees comparable to the fees charged for Direct Loans. Contact your lender for more information.

How will I be paid?

Perkins Loans:

- Your school will either pay you directly (usually by check) or credit your account.
- Generally, you'll receive the loan in at least two payments during the academic year.*

Stafford Loans:

- In general, your school will disburse your loan in at least two installments—there might be certain exceptions.
- No installment will be greater than half the amount of your loan.
- If you're a first-year undergraduate student and a first-time borrower, your first disbursement can't be made until 30 days after the first day of your enrollment period.
- If you're a first-time borrower you must complete entrance counseling before you receive your first loan disbursement.

Student loan money must first be used to pay for your tuition, fees and room and board. If loan funds remain, you'll receive them by check or in cash, unless you give the school written permission to hold the funds until later in the enrollment period.



Maximum Annual Loan Limits Chart (Aggregate Loan Limits)— Subsidized and Unsubsidized Direct and FFELSM Stafford Loans

Year	Dependent Undergraduate Student (except students whose parents are unable to obtain PLUS Loans)	Independent Undergraduate Student (and dependent students whose parents are unable to obtain PLUS Loans)	Graduate and Professional Degree Student
First Year	\$5,500—No more than \$3,500 of this amount may be in subsidized loans.	\$9,500—No more than \$3,500 of this amount may be in subsidized loans.	\$20,500—No more than \$8,500 of this amount may be in subsidized loans.
Second Year	\$6,500—No more than \$4,500 of this amount may be in subsidized loans.	\$10,500—No more than \$4,500 of this amount may be in subsidized loans.	
Third and Beyond (each year)	\$7,500—No more than \$5,500 of this amount may be in subsidized loans.	\$12,500—No more than \$5,500 of this amount may be in subsidized loans.	
Maximum Total Debt From Stafford Loans When You Graduate (aggregate loan limits)	\$31,000—No more than \$23,000 of this amount may be in subsidized loans.	\$57,500—No more than \$23,000 of this amount may be in subsidized loans.	\$138,500—No more than \$65,500 of this amount may be in subsidized loans. The graduate debt limit includes Stafford Loans received for undergraduate study.

NOTE: The amounts shown in the chart above are the maximum amounts that you may borrow for an academic year (annual loan limits) and in total (aggregate loan limits). * These are combined annual and aggregate loan limits for Stafford Loans received under both the FFEL and Direct Loan programs. You might receive less than the maximum if you receive other financial aid that's used to cover a portion of your cost of attendance. * The maximum amount you may borrow will also be less in certain situations, such as if you are an undergraduate student enrolled in a program of study that is shorter than an academic year. * Graduate and professional students enrolled in certain health profession programs may receive additional unsubsidized Stafford Loan amounts beyond those shown above.

Your school can refuse to certify your loan or can certify a loan for an amount less than you would otherwise be eligible for if the school documents the reason for its action and explains the reason to you in writing. The school's decision is final and cannot be appealed to the U.S. Department of Education.

The information in this guide was compiled in the summer of 2009. For changes to the federal student aid programs since then, visit www.FederalStudentAid.ed.gov.

Can I cancel a loan?

Yes. Before your loan money is disbursed, you may cancel all or part of your loan at any time by notifying your school. After your loan is disbursed, you may cancel all or part of the loan within certain timeframes. Your promissory note* and additional information you receive from your school will explain the procedures and timeframes for canceling your loan.

PLUS Loans

Parents of dependent students and students pursuing a graduate or professional degree can borrow from the PLUS Loan program. The terms and conditions applicable to parent PLUS Loans (made to parents of dependent students) also apply to PLUS Loans made to graduate and professional degree students. These terms and conditions include:

- a requirement that the applicant not have an adverse credit history; and
- a fixed interest rate of 8.5% for FFEL PLUS Loans and 7.9% for Direct PLUS Loans.

Unlike parent PLUS applicants, graduate and professional degree student PLUS applicants must file a FAFSA. In addition, graduate and professional degree students must have their annual loan maximum eligibility under the Stafford Loan program determined by the school before they apply for a PLUS Loan.

How do parents and graduate and professional degree students apply for a PLUS Loan?

Direct PLUS Loan:

- The school must participate in the Direct Loan Program.
- Complete a Direct PLUS Loan Application and Master Promissory Note. Contact the financial aid office at the school for more information.

FFEL PLUS Loan:

- The school must participate in the FFEL Loan Program.
- Complete an FFEL PLUS Loan Application and Master Promissory Note. Contact the financial aid office at the school for more information.

Although not a requirement if the student will not be receiving



any other federal student aid, parents are encouraged to have their dependent children submit a FAFSA so their children can receive the maximum student financial aid they're eligible for. Graduate and professional degree students applying for a PLUS Loan are required to submit a FAFSA.

What are the eligibility requirements for PLUS Loans?

PLUS applicants must meet the general eligibility requirements for federal student aid. If a parent is borrowing on behalf of a dependent undergraduate student, the student must also meet these general eligibility requirements. For example, the PLUS applicant and the student must:

- be a United States citizen or eligible noncitizen;*
 - not be in default* on a federal student loan; and
 - not owe a refund on a federal education grant.

Are there any other requirements?

A PLUS Loan applicant must not have an adverse credit history. (A credit check will be conducted.) If a PLUS Loan applicant does have an adverse credit history, he or she may still receive a loan by documenting existing extenuating circumstances or by obtaining an endorser who does not have an adverse credit history. An endorser is someone who agrees to repay the loan if the borrower fails to do so.

Do we need to find a lender?

Direct PLUS Loan—No. The U.S. Department of Education is the lender.

FFEL PLUS Program—Yes. You will need to find a participating lender. Your school or the guaranty agency* that serves your state can help you locate a participating lender. For the address and telephone number of your state guaranty agency, contact the Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243)**.

How much can a parent or graduate and professional degree student borrow?

The maximum PLUS Loan amount that a parent or graduate and professional degree student can borrow is the student's cost of attendance* minus any other financial aid the student receives.

Who receives the loan money—the parent or the student?

- The school will first apply the PLUS Loan funds to the student's school account to pay for tuition, fees, room and board and other school charges.
- If any loan funds remain, they will be sent to the parent borrower, unless the parent authorizes the school to hold the funds or release them to the student.
- Any remaining loan funds must be used for your education expenses.

Can a borrower cancel a PLUS Loan?

Yes. A borrower can cancel a PLUS Loan the same way that a borrower would cancel a Perkins or Stafford Loan.

Other than interest, are there any fees or charges to get a PLUS Loan?

Yes. There is a fee of up to 4 percent of the loan amount.

Is there a grace period?

Repayment of a PLUS loan begins on the date of the last disbursement. There is no grace period. However, graduate and professional student PLUS borrowers may defer repayment while they are enrolled in school at least half-time and, for PLUS loans first disbursed on or after July 1, 2008, for an additional six months after they cease to be enrolled at least half-time. Parent PLUS loan borrowers may request a deferment of repayment on PLUS loans first disbursed on or after July 1, 2008, while the student on whose behalf the loan was obtained is enrolled at least half-time and for an additional six months after the student ceases to be enrolled at least half-time. Interest that accrues on a PLUS loan during a period of deferment may be paid by the borrower or capitalized* when the deferment period ends.

The information in this guide was compiled in the summer of 2009. For changes to the federal student aid programs since then, visit www.FederalStudentAid.ed.gov.



Stafford and PLUS Loan Summary

- Undergraduate and graduate or professional degree students may receive Stafford Loans. Graduate and professional degree students and parents of dependent undergraduate students may receive PLUS Loans.
- You must be enrolled at least half-time* at an eligible school in a program leading to a degree or certificate.
- Student loans are borrowed money that must be repaid, with interest, just like car loans and home mortgages.
- Student loans cannot be canceled because you didn't get—or didn't like—the education you paid for with the loans, didn't get a job in your field of study or you're having financial difficulty.
- Loans are legal obligations, so think about the amount you'll have to repay before you take out a loan.
- The maximum Stafford Loan amount you can borrow each academic year* depends on your academic level in school and whether you are a dependent or independent student.
- Students who demonstrate financial need are eligible for a subsidized Stafford Loan to cover some or all of that need.
- For students who are eligible for a subsidized Stafford 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 (your grace period) and during a deferment (a postponement of loan payments).
- Unsubsidized Stafford Loans do not require a student to have financial need. The borrower is responsible for paying all interest on unsubsidized Stafford Loans.
- If you have an FFEL loan and need to find a participating lender, your school might have a list. This list is only a starting place when looking for financing. Check the terms and fine print carefully.

More Federal Student Aid Information

Most student financial aid comes from the U.S. Department of Education grant, work-study and loan programs you read about here. Most aid is based on need; your high school grades and class ranking are not considered in this process. If you still have questions about federal student aid programs after reviewing this publication, you can:

- Go online to our Web site at www.FederalStudentAid.ed.gov.

This site provides comprehensive, **FREE** information on the student aid process, and it links to other student aid-related sites.

- Call our Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243).

Other Financial Aid Sources

Financial aid office

Talk to the financial aid staff at each school you're interested in to find out about the school's financial aid programs and the total cost of attending that school. Staff at the financial aid office also help students apply for, receive and—in many cases—learn how to repay their student aid.

When should I first contact the financial aid office?

While researching the school before applying, be sure to find out what types of financial aid are available at that school. Your research should include a visit to the financial aid office's Web site. Later, as you prepare to apply for aid at that school, the Financial Aid Administrator* (FAA), or the staff at the office, will be able to answer your questions about the process.

What questions can my FAA answer for me?

- What financial aid can I apply for through my school and through my state education agency?
- What are the financial aid application deadlines at my school?
- How do I fill out the *Free Application for Federal Student Aid* (FAFSA)?
- Do I have to include my parents' information on the FAFSA?
- I went to a Web site that I thought was the FAFSA site, but it asked for my credit card number. Do I need to pay to fill out the FAFSA?
- What am I supposed to do with my *Student Aid Report*?*
- What is verification, what documents must I provide and when, and why was I chosen in the first place?
- When will I find out how much aid I've been awarded?



- What are all these different kinds of aid my school has awarded me?
- What if I'm not awarded enough money to pay for all my school-related expenses?

If you have any other questions or concerns about the financial aid process, contact the financial aid office at your school. Your FAA is there to help you.

State Higher Education Agency

Your state agency can give you important information about state aid—including aid from the Leveraging Educational Assistance Partnership (LEAP) Program, funded jointly by states and the U.S. Department of Education. See the “State Higher Education Agencies” section in this guide for your state contact information.

AmeriCorps

This program provides full-time educational awards in return for community service work. You can work before, during or after your postsecondary education, and you can use the funds either to pay current educational expenses or to repay federal student loans. For more information, contact:

Corporation for National and Community Service

1201 New York Avenue, NW

Washington, DC 20525

1-800-942-2677 (TTY Number: 1-800-833-3722)

www.americorps.org

Robert C. Byrd Honors Scholarship Program (Byrd Program)

To receive this scholarship, you must demonstrate outstanding academic achievement and show promise of continued academic excellence. For more information, call toll-free 1-800-4-FED-AID (1-800-433-3243) or visit www.ed.gov/programs/iduesbyrd/index.html.

Public libraries and the Internet

These are excellent sources of information on state and private sources of financial aid. When using either source, search using keywords like “financial aid,” “student aid,” “scholarships,” etc. Beware of scams and services that will search for financial aid money for you for a fee. You should not have to pay for this information.

Businesses and labor organizations

Many companies, businesses and labor organizations have programs to help employees or members and their families pay the cost of postsecondary education. Ask if they have a scholarship program and about the application process.

Organizations, foundations, etc.

Foundations, religious organizations, fraternities or sororities and town or city clubs usually offer financial aid. Include in your search community organizations and civic groups such as the American Legion, YMCA, 4-H Club, Elks, Kiwanis, Jaycees and the Girl or Boy Scouts. Organizations connected with your field of interest can also be helpful. For example, the American Medical Association and the American Bar Association are good sources for students seeking to specialize in medicine and law.

U.S. Armed Forces

The Armed Forces offer financial aid for service members and their families. For more information on recruitment incentives, contact your local military recruiter or visit the U.S. Department of Defense at www.todaymilitary.com, click on “Benefits” and then go to “Tuition Support.”

U.S. Department of Veterans Affairs

If you (or your spouse) are a veteran or you're the dependent of a veteran, educational benefits may be available. Under the *Post-9/11 Veterans Education Assistance Act of 2008*, many post-9/11 veterans and service members will be eligible for a new comprehensive education benefits package that goes beyond helping to pay for tuition. Many veterans who served after Sept. 11, 2001, will get full tuition and fees, a monthly housing stipend, and a \$1,000 a year stipend for books and supplies. The new bill also gives Reserve and Guard members who have been activated for more than 90 days since 9/11 access to the same GI Bill benefits. Information is available at www.gibill.va.gov or call 1-888-GI-BILL-1 (1-888-442-4551).

Internal Revenue Service (IRS)

The IRS offers financial aid to certain taxpayers to help pay higher education expenses. The IRS offers two federal income tax credits (tax credits offer dollar-for-dollar reductions in your final tax liability) for higher education expenses.

- The Hope Tax Credit (American Opportunity Tax Credit), worth up to \$2,500 per student is available for the first four years of postsecondary education.



- The Lifetime Learning Tax Credit, worth up to \$2,000 for virtually any postsecondary education and training. This applies to undergraduate, graduate and professional degree schools and even for less than half-time* study.

For updates on these tax credits, go to <http://www.irs.gov>, click on "Individuals," then on "Students" and then "Higher Education."

For more information on tax credits, and other tax benefits for postsecondary students, go to www.irs.gov/pub/irs-pdf/p970.pdf. *IRS Publication 970, Tax Benefits for Higher Education*, which explains these credits and other tax benefits, is available online, or call 1-800-829-1040. TTY callers should call 1-800-829-4059.

College.gov

This Web site motivates students with inspirational stories and information about planning, preparing and paying for college. With students' input and participation, College.gov was created for high school students and their families as a single online resource with the help and tools students need to get started. College.gov shows that postsecondary education is an achievable goal for anyone, regardless of income, ethnicity, age or gender.

Students.gov

This site provides access to government resources to help you plan and pay for your education. Besides finding financial aid information, you can use this Web site to file your taxes, search for a job and take advantage of other government services.

REMEMBER, you can get **FREE** help in finding financial aid from the sources we've mentioned in this section. You can also check with the colleges or career schools you'll be applying to. You don't have to pay for someone to help you.

It's a Jungle Out There ... Be Careful

Scholarship scams

What about scholarship search services?

Many private scholarship search services provide sources of financial assistance. We do not evaluate those services. If you decide to use a search service, check its reputation by contacting the Better Business Bureau or your state attorney general's office. You can search for scholarships for free on our Web site at www.FederalStudentAid.ed.gov.

How can I tell if these search services are scams?

Be careful when searching for information on student financial aid. Estimates show that families lose millions of dollars every year to scholarship fraud. The *College Scholarship Fraud Prevention Act* protects against fraud in student financial assistance. The Federal Trade Commission (FTC) cautions students to look for these telltale lines:

- "The scholarship is guaranteed or your money back."
- "You can't get this information anywhere else."
- "I just need your credit card or bank account number to hold this scholarship."
- "You've been selected by a 'national foundation' to receive a scholarship."
- "You're a finalist" in a contest you never entered.

Make sure the information you receive and offers for assistance are legitimate. Don't fall prey to fraud. To file a complaint with the FTC, or for free information, call 1-877-FTC-HELP (1-877-382-4357). The TTY number is 1-866-653-4261. Or visit www.ftc.gov/scholarshipscams.

Identity theft

Besides scholarship scams, you need to be aware of identity theft.

What is identity theft?

Identity theft is a widespread and growing national problem for everyone. This crime involves the theft of your personal information such as your name, address, telephone number and Social Security number. Identity thieves steal your personal information and ruin your credit. These thieves often run up thousands of dollars in credit card debt, just to name one problem, and the bills are sent to you for payment. Your credit rating can be ruined. Even though it's not your fault, you're the one who has to clean up the damage, which can take months or even years.

How can this happen?

Identity theft occurs when someone wrongly gets your personal information, such as your Social Security number or driver's license number, and uses that information to obtain credit cards, loans (including student loans) or merchandise and services in your name. Identity thieves usually get this information from a personal computer that you used for online banking or purchasing transactions. Sometimes just using a cell phone or using your Social Security number for identification can leave you at risk. Why? Each of these transactions requires that you share personal information, such as your name, address and phone number and your bank and credit card numbers.



Occasionally, this information falls into the wrong hands.

What happens if someone steals my identity and gets a student loan in my name?

A Stafford Loan or PLUS Loan may be discharged (canceled) if a court determines that the loan was made as a result of a crime of identity theft.

How can I avoid identity theft?

- Don't throw credit card applications you don't want into the trash. Cut them into several pieces, or shred them, so no one can retrieve them and apply for credit in your name.
- Safeguard your Social Security number at all times. You generally have to provide it to your employer or your bank, but if a business wants it, ask why it's needed and how it will be used before you give it out. There probably is no legitimate reason for any business to need your Social Security number. Never give it or your driver's license number to anyone who calls you on the phone or contacts you online saying they need this information to verify your identity.
- Never give personal or financial information over the phone or the Internet unless you initiated the contact.
- If you apply for our federal student aid programs over the Internet, do so at the Department of Education's www.fafsa.ed.gov, or through www.FederalStudentAid.ed.gov, which are official U.S. government Web sites that are safe and protected from unauthorized disclosure.
- After completing any online application, remember to log off the computer system.
- Review your financial aid award documents and keep track of the amount of student aid applied for and awarded.
- Keep your Federal Student Aid PIN, your online student identifier, in a safe place and never give it to anyone.

These are just a few steps you can take to protect yourself from identity theft. For more information, contact the Federal Trade Commission (FTC) at www.ftc.gov/idtheft, or call **1-877-IDTHEFT (1-877-438-4338)**. To report identity theft that affects your federal student aid, call the U.S. Department of Education's Office of Inspector General Hotline at **1-800-MISUSED (1-800-647-8733)** or go to www.ed.gov/misused.

DID YOU KNOW ...

Identity theft is a growing problem. Typical ways a student becomes a victim include leaving personal information lying around the dorm room or failing to shred credit card offers before throwing them away.

We at the U.S. Department of Education work hard to ensure that information sent over our Web sites is secure. However, students should do their part as well. Make sure you keep your information safe.

B



How Do I Apply?

In spite of all the acronyms, the student aid process is pretty straightforward if you take the time to see it through.

We've set everything up so you can apply and check the progress of your application online.

In the case of federal student loans, there are a few points we should make up front. One, interest rates for student loans are far lower than those for commercial loans because the federal government subsidizes them. Repayment terms are affordable and, in most instances, you don't begin to repay until you leave school. And if you're worried about

your credit history disqualifying you—don't. The amount of your student loan does not depend on your past history with creditors.

So ... you can go for it, or you can hang back. The how-to is right here, but you have to supply the drive. After all, millions of students just like you apply successfully each year. So, go ahead. Apply. The results may surprise you.

OVERVIEW

PREPARE

APPLY

RECEIVE

REPAY



DID YOU KNOW ...

Applying for federal student aid grants, work-study and loans is FREE! Why pay a third party for help with the FAFSA? Help in completing the FAFSASM is available from our office for free and there are no fees of any kind assessed by the government when you submit a FAFSA.

Getting Your Federal Student Aid PIN

What is a Federal Student Aid PIN and what is it used for?

Your PIN (Personal Identification Number) is an electronic access code that serves as your personal identifier. Your PIN allows you to:

- “Sign” your FAFSA electronically and complete the student aid process completely online—no paper is involved. If you’re a dependent student and one of your parents has a Federal Student Aid PIN, he or she can sign your FAFSA electronically online as well.
- Correct your FAFSA online.
- Access your *Student Aid Report** (SAR).
- “Sign” a master promissory note* for a federal student loan.
- Access your federal student aid records online, including your student loan history information on NSLDS^{SM,*}

DID YOU KNOW ...

The Federal Student Aid PIN gives access to personal information and therefore should be kept PRIVATE. You should not share your PIN with anyone, even if that person is helping you fill out the FAFSA. Counselors should not offer to hold onto students’ PINs. If you are concerned about forgetting your PIN you should go to www.pin.ed.gov and change your PIN to a number you will remember.

NOTE: If you opted to receive your PIN by e-mail, you should add FederalStudentAidPIN@cpsemail.ed.gov to your e-mail address book or “safe list” to help avoid delivery problems.

Should I get a PIN if I’m not applying for aid online?

We encourage you to apply online because that process is much faster and easier. The electronic FAFSA process has edits built into the application that dramatically reduce the chance for errors. That saves you time and trouble. But, even if you don’t apply online, you can use a PIN to access all your federal student aid information (see “What is a Federal Student Aid PIN and what is it used for?”)

How and when should I get a PIN?

You, and your parents if you’re a dependent student, can apply for a PIN anytime at www.pin.ed.gov.

How do I sign my application?

If you’re in *FAFSA on the Web*SM, a separate screen will appear when you select the option to apply for a PIN. You will be given the option of instantly receiving your PIN online, having it e-mailed to you immediately, or having it sent to you via postal mail (7–10 days). If you choose to have it displayed on the screen, you can sign your FAFSA right then and there. If you choose to have your PIN e-mailed to you or sent by postal mail, you’ll need to save your *FAFSA on the Web* and sign with your PIN when you receive it. Or, you can print a “signature page,” sign and mail it to the address indicated on the page. You can also select the option to process the application without a signature. If you select this option, you will be mailed a paper SAR* that you must sign and mail back to us for processing. The process can take two or more weeks. This option is not recommended because it is the most time-consuming.

NOTE: Initially, your PIN can be used only to sign your FAFSA. Your personal data (Social Security number, full name and date of birth) must successfully match with the data the Social Security Administration has on file for you before your PIN can be used for other federal student aid purposes, such as signing a promissory note.* After your data successfully matches with the Social Security Administration’s data you can use your PIN at other federal student aid Web sites. Your SAR* will contain a comment that lets you know whether your data successfully matched with the Social Security Administration’s data or not. If your data does not match you will receive a notice with information to help you resolve the issue.



Do I get a PIN automatically?

Yes. If you did not apply for a PIN before submitting your FAFSA, your personal data, such as your Social Security number, full name and date of birth, will be matched with the Social Security Administration's data. If the match is successful, we'll automatically send you a PIN.

What if I have questions about the PIN?

Go to www.pin.ed.gov or www.FederalStudentAid.ed.gov. Or, call the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243).

Can I get a PIN from the Federal Student Aid Information Center?

No. You can apply for a PIN only online.

Safeguard Your PIN and Remember It! www.pin.ed.gov

- Your PIN is used to sign legally binding documents electronically. It has the same legal status as a written signature.
- Don't give your PIN to anyone—not even to someone helping you fill out the FAFSA. Sharing your PIN could put you at risk of identity theft!
- Remember your PIN! You'll use this same PIN for future online FAFSAs and the many different actions regarding your student aid records.

- Any foreign tax return or tax return from Puerto Rico.
- Your 2009 untaxed income records—examples include IRA deductions, child support, and veterans noneducation benefits.
- Your current bank statements, business and investment mortgage information; business and farm records; and stock, bond and other investment records.
- Your alien registration number (if you are not a U.S. citizen).

If possible, have the necessary 2009 income tax returns finished so you can complete the FAFSA more easily and accurately. If you apply before your tax return has been completed, you'll have a two-step application process.

- Step 1—Apply and estimate your income and tax information on your application.
- Step 2—Make corrections later if your estimated income or tax information was not accurate.

You cannot receive federal student aid unless all your information is complete and accurate.

Read the FAFSA instructions very carefully and pay close attention to questions on income because most errors occur in that area.

Process for new applicants

Apply between Jan. 1, 2010, and June 30, 2011. To determine your eligibility for federal student aid, you need to complete the FAFSA. You may also need to complete an additional application in order to be considered for financial aid from your state or the school you're interested in attending.

Can I apply for aid online?

Yes. We encourage you to complete the FAFSA online at www.fafsa.ed.gov. Applying online is the fastest and easiest way to apply. Use the *FAFSA on the Web Worksheet* to write down your information prior to completing the online form. You can print a copy of the *FAFSA on the Web Worksheet* at www.fafsa.ed.gov.

Completing the FAFSASM

What information do I need to complete a FAFSASM?

- Your Social Security number and your parents' numbers, if you're a dependent student.
- Your driver's license number (if any).
- 2009 W-2 forms and other records of money earned (by you and by your parents, if you're a dependent student).
- Your 2009 Federal Income Tax Return (and that of your spouse, if you're married).
- Your parents' 2009 Federal Income Tax Return (if you're a dependent student).



Applying Online

- Go online to www.fafsa.ed.gov.
- As an alternative, go online to www.FederalStudentAid.ed.gov and click on “FAFSA.”
- If you have created a “MyFSA” account at www.FederalStudentAid.ed.gov/myfsa, many sections of the FAFSA will automatically be completed for you, saving time and eliminating mistakes.
- If you previously completed *FAFSA4caster*SM, you may choose to have your FAFSA populated with the information you already provided. If you complete *FAFSA4caster* and need to apply for aid right away, just follow the instructions in *FAFSA4caster* and finish the process of applying for aid.

Why should I apply online?

- As you complete the online application, *FAFSA on the Web* looks at your answers and uses skip-logic to display questions that only apply to your situation. This makes the application process shorter.
- *FAFSA on the Web* identifies potential errors right away and prompts you to make on-the-spot corrections.
- You get online instructions for each question, and you can access live help with a customer service representative for free if you have additional questions.
- If you are eligible for a Federal Pell Grant, and within the age range to have graduated from high school after Jan. 1, 2005, additional screens will appear to help determine your eligibility for the Academic Competitiveness Grant.
- By applying online, you can send your application information to up to 10 schools (the paper form is limited to four schools).
- Once you submit your application, your information is immediately sent to the U.S. Department of Education. You’ll get a confirmation notice right away when you click on “Submit My FAFSA Now.”
- Your confirmation page includes an estimate of the Pell Grant award amount, an indication of student loan eligibility, and a link to CollegeNavigator.gov (for graduation rates and other data). You can also e-mail the confirmation page to a valid e-mail address.
- Your online application will be processed quickly, if you (and your parents, if applicable) provided electronic signatures using the PIN.

- If you can’t provide your parents’ data, *FAFSA on the Web* will present a special circumstances path that allows you to fill out and submit the FAFSA. The FAFSA, however, will be considered incomplete (see page 31).

What if I decide I want a paper FAFSASM?

You can get a paper FAFSA—in English or Spanish—from our Federal Student Aid Information Center by calling **1-800-4-FED-AID (1-800-433-3243)**. Complete, sign and mail the FAFSA in the pre-addressed envelope.

You can also download a Portable Data Format (PDF) FAFSA by going to www.FederalStudentAid.ed.gov. The PDF FAFSA is identical to the paper FAFSA and you have two options to complete a PDF FAFSA:

- Complete the form on your computer, print, sign and mail it to the address on the form for processing; or
- Print the blank form, complete it by hand, sign and mail it to the address on the form for processing.

What happens after I mail the FAFSASM for processing?

- Your FAFSA will be processed in two to three weeks. But, before mailing it, you should check to see if your school, or a school that you’re interested in, would submit your FAFSA for you electronically.
- If you don’t hear anything within three weeks of the date you submitted your application, check your status through *FAFSA on the Web* (www.fafsa.ed.gov). You can also check your status by contacting the Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243)**.

NOTE: No paper or electronic FAFSA will be accepted prior to Jan.1, 2010. Any FAFSA received before Jan.1, 2010, will not be processed.

Dependency status

You’ll need to determine whose information to report on the FAFSA—if you’re an independent student, yours (and, if married, your spouse’s); if you’re a dependent student, yours and your parents’.

When you apply for federal student aid, your answers to questions on the FAFSA determine whether you are considered a dependent or independent student.



Dependent students must report their parents' income and assets on the FAFSA as well as their own. Federal student aid programs are based on the concept that a dependent student's parents have the primary responsibility for paying for their child's education.

Independent students report their own income and assets (and those of a spouse, if married).

For the 2010–11 academic year,* you're an independent student IF at least one of the following applies to you:

- You were born before Jan. 1, 1987.
- You're married on the day you apply (even if you are separated but not divorced).
- You are or will be enrolled in a master's or doctoral degree program (beyond a bachelor's degree) at the beginning of the 2010–11 academic year.*
- You are currently serving on active duty in the U.S. Armed Forces for purposes other than training.
- You're a veteran of the U.S. Armed Forces. (A "veteran" includes students who attended a U.S. service academy and were released under a condition other than dishonorable. For more details on who is considered a veteran, see the explanatory notes on the FAFSA.)
- You have children who will receive more than half their support from you between July 1, 2010 and June 30, 2011.
- You have legal dependents (other than your children or spouse) who live with you and who receive more than half their support from you now and through June 30, 2011.
- At any time since you turned age 13, both your parents were deceased, you were in foster care or you were a dependent or ward of the court.
- You are or were an emancipated minor as determined by a court in your state of legal residence.
- You are or were in legal guardianship as determined by a court in your state of legal residence.
- At any time on or after July 1, 2009, your high school or school district homeless liaison determined that you were an unaccompanied youth who was homeless.
- At any time on or after July 1, 2009, the director of an emergency shelter or transitional housing program, funded by the U.S. Department of Housing and Urban Development, determined that you were an unaccompanied youth who was homeless.
- At any time on or after July 1, 2009, the director of a runaway or homeless youth basic center or

transitional living program determined that you were an unaccompanied youth who was homeless or self-supporting and at risk of being homeless.

If none of these criteria apply to you, you're a dependent student.

NOTE: Financial aid administrators may make determinations regarding a student's independent student status based on a documented determination of independence by another financial aid administrator in the same award year.

If you do not have a determination that you are homeless, you should contact your financial aid office for assistance if you believe you are an unaccompanied youth who is homeless or self-supporting at risk of being homeless and answer **No** to the FAFSA questions concerning being homeless.

Not living with parents or not being claimed by them on tax forms does not determine dependency status for federal student aid.

What if I'm considered a dependent student but have no contact with my parents or access to their information?

Special circumstances:

Under federal law you and your family are primarily responsible for paying for your college expenses. To determine how much your family can afford to pay toward your college expenses, we must collect your financial information and, if you are a dependent student, we must also collect your parents' financial information.

Under **very** limited circumstances, an otherwise dependent student may be able to submit the FAFSA without parental information due to special circumstances. Before you proceed to skip the parental section of your FAFSA, consider the following:

Examples of special circumstances where you may be able to submit your FAFSA without providing parental information include:

- Your parents are incarcerated; or
- You have left home due to an abusive family environment; or
- You do not know where your parents are and are unable to contact them (and you have not been adopted).
- You are older than 21 but not yet 24, and are unaccompanied and either homeless or self-supporting and at risk of being homeless.



Not all situations are considered a special circumstance. The following are situations that would **not** be considered a special circumstance:

- Your parents do not want to provide their information on your FAFSA; or
- Your parents refuse to contribute to your college expenses; or
- Your parents do not claim you as a dependent on their income taxes; or
- You do not live with your parents.

If you believe you have a special circumstance and are unable to provide parental information, you should complete the information about you and your finances and skip any questions about your parents. You should sign your FAFSA with your PIN and leave your parent's PIN blank. It is important to note:

- We will allow you to submit your FAFSA without parental information; however **your FAFSA will not be considered complete**.
- Because your FAFSA is not considered complete, we will not calculate your Expected Family Contribution (EFC),* which is the index used by colleges to determine how much student aid you are eligible to receive.
- If you are approaching any deadlines for your state, college or scholarship aid, you may want to contact your financial aid administrator (FAA)* **before** submitting your FAFSA without parental data.
- Once you submit your FAFSA without parental data, you must follow up with the FAA at the school you plan to attend in order to complete your FAFSA.
 - ▶ You will have to provide documentation to verify your situation. Gather as much written evidence of your situation as you can. Written evidence may include court or law enforcement documents, letters from a clergy member, school counselor or social worker, and/or any other relevant data that explains your special circumstance.
 - ▶ After reviewing your circumstances carefully, your FAA will decide if you must provide parental information or if your circumstances allow you to proceed without providing parental data. Your FAA's decision is **final** and cannot be appealed to us.

What if I'm a dependent student but my parents are divorced or separated?

- You report information about the parent you lived with for the greater amount of time during the 12 months preceding the date you file your FAFSA application.
- If you didn't live with either parent, or if you lived with each parent an equal amount of time, then use information about the parent who provided the greater amount of financial support during the 12 months prior to the date you file your FAFSA application.
- If you didn't receive any parental financial support during that time, you must report information about the parent who **most recently** provided the greater amount of parental support.

Do I report stepparents' information?

Your stepparent's financial information is required on the FAFSA:

- If the parent you received financial support from was a single parent who is now married; or
- If the parent you received financial support from was divorced or widowed but has remarried.

This does not mean your stepparent is obligated to give financial assistance to you, but his or her income and assets represent significant information about the family's financial resources. Including this information on the FAFSA helps us form an accurate picture of your family's total financial strength.

Do I need to fill out a FAFSASM every year I apply for aid?

Yes. You must reapply for federal student aid every year. If you change schools, your aid doesn't automatically transfer with you. Remember to check with your new school to find out what you need to do to continue receiving financial aid.

For those who applied in 2009–10, there will be fewer questions to answer for 2010–11 because your FAFSA for the new year contains much of the information given in the 2009–10 application. Only the information that has changed since last year, such as your income and tax information, and any new questions must be answered.

You can complete your FAFSA online at www.fafsa.ed.gov between Jan. 1, 2010, and June 30, 2011. Remember that states and schools may have earlier deadlines for nonfederal aid, so it's important to check your state or school deadlines. State contact information is provided at the end of this guide.



To complete your FAFSA for subsequent years:

- In January 2010, you'll receive notice (by e-mail or regular mail) reminding you to apply for the 2010–11 award year. The 2010–11 award year is July 1, 2010 to June 30, 2011.
- You will need your PIN to access your 2010–11 *FAFSA on the Web* (also called a pre-filled FAFSA). Go to www.fafsa.ed.gov and select “Fill Out a FAFSA.” Follow the instructions to access your pre-filled FAFSA. Review the information on your FAFSA and change or add information as needed, sign and submit it.
- If you prefer to complete a paper application, you will have to answer all questions on the form, sign and mail it in for processing.
- You'll then receive your *Student Aid Report** (SAR) containing your application results (see page 35).
- Review your SAR to make sure all your information is correct.
- Check with your financial aid office, or contact the Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243)** if you have questions about the FAFSA process for subsequent years.

What if I need help filling out my FAFSA?

- Help text is available and accessible for every question on the FAFSA if you apply online using *FAFSA on the Web* at www.fafsa.ed.gov. You can also get free live help online at this Web site.
- Free help is also available online at www.FederalStudentAid.ed.gov/completefafsa.
- Contact the Federal Student Aid Information Center **1-800-4-FED-AID (1-800-433-3243)** for assistance with any questions you have on either the paper or electronic FAFSA.
- Contact your high school guidance counselor or your college financial aid office.

REMEMBER, you can get all the help you need for **FREE** from one of these sources. **NEVER** pay anyone for assistance in completing the online or paper FAFSA.

How do the schools I'm interested in attending get my FAFSASM information?

Schools listed on your FAFSA will automatically receive your FAFSA results electronically. You can list up to four schools on a paper FAFSA and up to 10 schools on *FAFSA on the Web*.

What if I want to add or change schools later?

Using your PIN, you can go to www.fafsa.ed.gov and select “Add or Delete a School Code” to make changes online or you can call the Federal Student Aid Information Center **1-800-4-FED-AID (1-800-433-3243)**. If you call, you'll need your Data Release Number (DRN), which is located on your *FAFSA on the Web* Confirmation page and on your SAR.

Save all records and materials used to complete your FAFSA. Make a copy of your paper FAFSA or print the summary page of your *FAFSA on the Web* data and your confirmation page. You might need them later to prove the information you reported was accurate.

The process of documenting the information you provided on the FAFSA is called “verification.” If your application is selected for verification and you do not provide the documents requested on time, you will not receive federal student aid and you might not receive aid from other nonfederal sources.

The Student Aid Report (SAR) and Why It's Important

Your *Student Aid Report** (SAR) summarizes all the information you provided on your FAFSA. Your SAR will usually contain your Expected Family Contribution* (EFC), the number used in determining your eligibility for federal student aid. Your EFC will appear in the upper right-hand portion of a paper SAR or an electronic SAR. You might not get an EFC if we need more information from you to process your data. Your Data Release Number (DRN) will also be on the SAR, and if you applied for a PIN during the *FAFSA on the Web* signature process, you'll receive information about the status of your PIN.



After you apply for federal student aid you'll receive your SAR (the processed FAFSASM results).

- You will receive your SAR by e-mail within 3–5 days after your FAFSA has been processed, if you provided an e-mail address when you applied. This e-mail will contain a secure link so you can access your SAR online. If you have a “junk” folder or “spam” folder in your e-mail files, check it. The e-mail from us might be delivered there instead of to your inbox. We encourage you to add our e-mail address, **FederalStudentAidFAFSA@cpsemail.ed.gov**, to your e-mail address book to help avoid delivery problems. The e-mail you receive will look like the one below.
- You will receive a paper SAR by mail within 7–10 days after your FAFSA has been processed, if you do not provide an e-mail address when you apply. Whether you apply online or by paper, we will automatically send your data electronically to the schools you listed on your FAFSA.

If you applied using a paper FAFSA, there are additional steps you need to take to ensure you're considered for the ACG (see page 13). If you're eligible for a Federal Pell Grant and within the age range to have graduated from high school after Jan. 1, 2005, additional questions will be asked during the online application process. The paper FAFSA does not contain these questions. Applicants who file the paper FAFSA and who are eligible for a Federal Pell Grant and within the age range to have graduated from high school after Jan. 1, 2005, will receive information to call the Federal Student Aid Information Center at **1-800-4-FED-AID** to answer additional questions.

SAR Submission Deadline

If the school you want to attend is not listed on your SAR, you must add that school to your SAR and submit your data to that school for processing by the last day of enrollment in 2010–11 OR by mid-September 2010, whichever comes first. Be sure you know what the last day of enrollment is at the school(s) you want to attend—that date could be earlier than mid-September.

Sample E-mail

From: Federal Student Aid [mailto:FederalStudentAidFAFSA@cpsemail.ed.gov]
 Sent: Thursday, January 08, 2010 11:12 PM
 To: John Smith
 Subject: FAFSA Results - 2010-2011 Student Aid Report

Dear John Smith,

Your Free Application for Federal Student Aid (FAFSA) has been processed and the data will be made available to the school(s) listed on your FAFSA. The financial aid office at your school will contact you if additional information is required.

Your Student Aid Report (SAR), which contains a summary of your FAFSA information, is now available for you online. Review your SAR as soon as possible to see if any additional information or corrections may be needed.

Use the link below to view your SAR. You can select the link or copy the entire link and paste it into the address or location line of your Web browser. Make sure you copy and paste the entire link; it may appear on multiple lines.

<https://fafsa.ed.gov/FOTWebApp/sar/90?key=rmbPyoCvCU5IngPxKSadIbLvJfJT2KC5m>

If you are an AOL user, click here:

[View SAR](https://fafsa.ed.gov/FOTWebApp/sar/90?key=rmbPyoCvCU5IngPxKSadIbLvJfJT2KC5m)

If you encounter any problems retrieving your SAR, go to www.fafsa.ed.gov/faq016.htm for assistance. You may also call the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243).

Thank You,

U.S. Department of Education
 Federal Student Aid

What do I do with my SAR?

Review it carefully to make sure it's correct and complete.

The school(s) you've selected to receive your SAR will use this information to determine if you're eligible for federal—and possibly nonfederal—financial aid funds.

If you need to make corrections to your SAR:

- You can make them online using your PIN, by going to www.fafsa.ed.gov and selecting "Make Corrections to a Processed FAFSA."
- Your school might be able to make them for you electronically (check with your school).
- Or, if you received a paper SAR, make any necessary corrections on that SAR and mail it to the address on the form for processing.

You can make a few changes to your SAR by calling the Federal Student Aid Information Center at 1-800-4-FED-AID (1-800-433-3243). You must have the Data Release Number (DRN) available. The DRN is located on your SAR and on your *FAFSA on the Web* confirmation page. Here's what you can change over the phone:

- your mailing or e-mail address;
- the names of schools that you want to receive your FAFSA information; and
- your answer to the question concerning a drug conviction.


For all other changes, you must correct your SAR using one of the other options above.

How do I find out if I'm eligible for federal student aid and how much I'll receive?

If you're eligible for federal student financial aid, the school(s) listed on your FAFSA (who have also offered you admission) will send you an award letter.* The award letter tells you the type of financial aid you are eligible to receive from federal, state and institutional sources and how much you may receive.

This combination of aid is your financial aid package.* Review each award letter very carefully and compare how much aid you can receive at each school. Once you accept a school's award letter, sign it and return it to the school for processing.

Your SAR will look like this



START HERE
GO FURTHER.
FEDERAL STUDENT AID

**STUDENT AID REPORT
ACKNOWLEDGEMENT
2010 - 2011**

WWW.FAFSA.GOV

AUGUST 21, 2011

000117C041

JOHN SMITH
742 EVERGREEN TERRACE
SPRINGFIELD OH 55555

1-800-4FED-AID (TTY: 1-800-730-8913)

OMB No. 1845-0008

DATA RELEASE NUMBER (DRN): 2245
EXPECTED FAMILY CONTRIBUTION (EFC): 00000 C

Dear JOHN SMITH,

Your Student Aid Report (SAR) Acknowledgement summarizes the information you submitted on your 2010 - 2011 Free Application for Federal Student Aid (FAFSA).

Application Status (review the checked boxes)

Your FAFSA appears to be complete. Review the data on page 2 and 3. We may have assumed certain information to calculate your eligibility for federal student aid. We printed any assumptions we made and the word "assumed" for the items on the back of this page. If you need to make corrections, you can go to www.fafsa.gov and use your Federal Student Aid PIN to access your information or you can contact the financial aid office at one of the schools you listed on your application for assistance. The school(s) listed on your FAFSA will receive your information.

Federal Student Aid Eligibility (review the checked boxes)

The data submitted on your FAFSA is used to calculate your Expected Family Contribution (EFC), which is 00000.

The EFC is **not** the amount of money that your family must provide. Rather, you should think of the EFC as an index that colleges use to determine how much financial aid you would receive if you were to attend their school. Financial aid may include grants (free funds that do not have to be repaid), low-interest loans (borrowed funds that must be repaid), and/or work-study (paid part-time employment). This award information will vary from college to college because the cost of attending each is different. Please note that your EFC is subject to change if you update or correct your FAFSA. For more information about the EFC and other sources of aid, go to www.FederalStudentAid.ed.gov/aidinfo.

Based on your EFC it appears that you may be eligible for a Federal Pell Grant of up to \$5350, in addition to other grants, low-interest student loans, and work-study opportunities. Your FAA will determine what types of aid and how much you are eligible to receive.

You may also be eligible for the Academic Competitiveness Grant (ACG).

We sent your information to other federal agencies through computer matching programs to verify your eligibility for federal student aid and there appears to be an issue with the information provided on your application. You can review information about these issues by going to www.fafsa.gov and selecting "View and Print Your Student Aid Report.*" You must work with your financial aid office to resolve any data matching issues before we can determine if you are eligible to receive federal student aid.

Unless you are completing the verification process, it may be too late for you to make corrections or give us any more information this year. If you are completing verification and you need to correct your information, contact the FAA at your school for assistance. We must have your corrections no later than September 17, 2011.

You should keep this SAR Acknowledgement for your records!

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PAGE 1 OF 3

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Repaying Your Student Loan

If you're a federal student loan recipient, there are two key points to remember. First, the interest rate you pay is lower than commercial rates because the federal government subsidizes the loan. Second, if you are a student borrower, you don't have to begin to repay your Perkins or Stafford Loans until you leave school or drop below half-time.

As generous as these terms are, you shouldn't forget that you do have to repay your loan. Failure to do so could result in your loan(s) being declared delinquent or in default. This could have a negative impact on your financial status and creditworthiness in the future. This section outlines repayment requirements and describes the rare circumstances under which your obligation to repay can be reduced or forgiven.*

OVERVIEW

PREPARE

APPLY

RECEIVE

REPAY



Borrower's Responsibilities

When you obtain a federal student loan you have certain responsibilities. Here are some important ones:

Think about how much you're borrowing.

- Think about what your repayment obligation means before you take out a student loan.
- If you don't repay your student loan on time or according to the terms in your promissory note,* you could default* on this legal obligation, which has serious consequences and will adversely affect your credit rating.

Signing a promissory note means you agree to repay the loan.

- When you sign a promissory note, you're agreeing to repay the loan according to the terms of the note.
- The note states that unless you meet the requirements for loan discharge (cancellation), you must repay the loan, even if you don't complete your education.
- Also, you **must** repay your loan even if you can't get a job after you complete the program or you didn't like the education you received. The U.S. Department of Education does not guarantee the quality of education you receive or that you will find a job in your field of study.

Make payments regardless of receiving billing notices.

- You must make payments on your loan even if you don't receive a bill or repayment notice.
- Billing statements (or coupon books) are sent to you as a convenience. You're obligated to make payments even if you don't receive any reminders.
- You must also make monthly payments in the full amount required by your repayment plan. Partial payments do **not** fulfill your obligation to repay your student loan on time.

Continue to pay while waiting for deferment or forbearance approval.

- If you apply for a deferment or forbearance, you must continue to make payments until you have been notified that your request has been approved.
- If you don't, you might end up in default.*

- Keep a copy of any request form you submit, and document all contact you have with the holder of your loan.

Notify your lender or loan servicing agency when you:

- graduate;
- withdraw from school;
- drop below half-time* status;
- change your name, address or Social Security number†; or
- transfer to another school.

† **NOTE:** New Social Security numbers are issued only in very rare circumstances. See www.ssa.gov/ssnumber/ for rules on changing them.

Receive entrance and exit counseling.

- If you are a first-time borrower you must complete an **entrance counseling** session before you're given your first loan disbursement. This session provides you with useful tips and tools to help you develop a budget for managing your educational expenses and helps you to understand your loan responsibilities. Parent PLUS Loan borrowers do not participate in entrance counseling.
- You must receive **exit counseling** before you leave school to make sure you understand your rights and responsibilities as a borrower. You will receive information about repayment and your loan provider will notify you of the date loan repayment begins (usually six months after you graduate, leave school or drop below half-time* enrollment). Parent PLUS Loan borrowers do not participate in entrance counseling.

Borrower's Rights

What you need to know about your loan

You have a right to know the details of your loan (depending on your loan, some of the following might be included as part of your entrance counseling). Below is what you need to know and must receive from your school, lender or the Direct Loan Servicing Center:

- The full amount of the loan and the current interest rate;
- The date you must start repayment;
- A complete list of any charges you must pay (loan fees) and information on how those charges are collected;



- Information about the yearly and total amounts you can borrow;
- Information about the maximum repayment periods and the minimum repayment amount;
- An explanation of default* and its consequences; and
- An explanation of available options for consolidating your loans and a statement that you can prepay your student loan(s) at any time without a penalty.

Before you leave school

Before you leave school, you will receive the following information about your loan (as part of exit counseling) from your school, lender or the Direct Loan Servicing Center:

- A current description of your loans, including average anticipated monthly payments;
- The amount of your total debt (principal and estimated interest), your current interest rate and the total interest charges on your loan;
- If you have FFELSM Loans, the name of the lender or agency that holds your loans, where to send your payments and where to write or call if you have questions;
- If you have Direct Loans, the address and telephone number of the U.S. Department of Education's Direct Loan Servicing Center;
- An explanation of the fees you might be charged during the repayment period, such as late charges and collection or litigation costs if you're delinquent or in default;*
- A reminder of available options for loan consolidation and a reminder that you can prepay your loan without penalty at any time;
- A description of applicable deferment, forbearance and discharge (cancellation) provisions;
- Repayment options and advice about debt management that will help you in making your payments;
- Notification that you must provide your expected permanent address and the name and address of your expected employer; and
- Notification that you must also provide any corrections to your school's records concerning your name, Social Security number, references and driver's license number (if you have one).

Grace period

If you are attending school at least half-time,* you have a set period of time after you graduate, leave school or drop below half-time* status before you must begin repayment on a Stafford or Perkins Loan. This period of time is called a grace period.

- You will receive a grace period before your repayment period begins on a Stafford or Perkins Loan.
- Your grace period will be six or nine months depending on the type of loan.
- PLUS Loans do not have a grace period. For more information, see "When do parents and graduate and professional degree students begin repaying a PLUS Loan?" on page 40.
- If you are called to active military duty for more than 30 days, the grace period will be delayed.

Loan repayment schedule

Your school, lender or the Direct Loan Servicing Center, as appropriate, must give you a loan repayment schedule that states:

- when your first payment is due;
- the number and frequency of payments; and
- the amount of each payment.

Sale of loan

If you or your parents borrow under the FFEL Program, you (or your parents, or graduate and professional degree students for PLUS Loans) must be notified when the loan is sold if the sale results in making payments to a new lender or agency. Both the old and new lender must provide this notification. You must be given:

- the identity of the new lender or agency holding the loan; and
- the address where you or your parents must send payments, and the telephone numbers of both the old and new lender or agency.

Loan Repayment

This section gives you basic information on loan repayment. For more information, go online to www.studentaid.ed.gov/repaying.



When do I start paying back my student loans?

- **Federal Perkins Loans**—The grace period is nine months. However, if you're attending less than half-time,* check with your financial aid office to determine your grace period. During the grace period, you don't have to pay any principal, and you won't be charged interest.
- **Direct or FFEL Stafford Loans**—The grace period is six months.
 - ▶ **Subsidized loan**—During the grace period, you don't have to pay any principal,* and you won't be charged interest.
 - ▶ **Unsubsidized loan**—You don't have to pay any principal, but you will be charged interest. Remember, you can either pay the interest as you go along or it will be capitalized* (i.e., added to the principal loan balance) later.

Your lender will send you information about repayment, and you'll be notified of the date repayment begins. **However, you're responsible for beginning repayment on time even if you don't receive this information.** Failing to make payments on your loan can lead to default.* Default occurs when you fail to meet the terms and conditions of the promissory note,* such as not making timely payments on the loan.

How much time do I have to repay my student loans?

- **Federal Perkins Loans**—Up to 10 years.
- **Direct and FFEL Stafford Loans**—Your repayment period varies from 10 to 25 years, depending on which repayment plan you choose. See more on repayment options later in this section.

You'll get more information about repayment choices before you leave school (exit counseling), and later, during your grace period, from your loan holder.

When do parents and graduate and professional degree students begin repaying a PLUS Loan?

The repayment period for a PLUS loan begins on the date the loan is fully disbursed as there is no grace period. However, graduate and professional student PLUS borrowers may defer repayment while they are enrolled in school at least half-time* and (for PLUS loans first disbursed on or after July 1, 2008) for six months after they cease to be enrolled at least half-time. Parent PLUS borrowers whose loans were first disbursed on or after July 1, 2008, may defer

repayment while the dependent student for whom they borrowed is enrolled at least half-time and for six months after the student ceases to be enrolled at least half-time.

Interest is charged on PLUS loans during all periods, beginning on the date of the first loan disbursement. A PLUS borrower may pay the interest as it accrues during a deferment, or allow it to accrue and be capitalized* at the end of the deferment period.

The information in this guide was compiled in the summer of 2009. For changes to the federal student aid programs since then, visit www.FederalStudentAid.ed.gov.

At the time this publication went to print, Congress was considering a proposal that would eliminate the FFEL Program, beginning with the 2010–11 school year, and would have Stafford, PLUS and consolidation loans funded from the Direct Loan ProgramSM. For up-to-date information, please visit www.FederalStudentAid.ed.gov.

How much will I have to repay each month?

Direct or FFEL Stafford Loan—Usually, you'll make monthly payments and your monthly repayment amount will depend on:

- the size of your debt;
- the length of your repayment period; and
- the repayment plan you choose.

Direct Stafford Loan:

- You'll make payments to us through our Direct Loan Servicing Center. Direct Loan borrowers can view and pay their bills online using their PIN at: www.dl.ed.gov

FFEL Stafford Loan:

- You'll repay the private lender that made you the loan.

Federal Perkins Loans:

- You'll make monthly payments to the school that loaned you the money.
- You'll have up to 10 years to repay your loan.
- Federal Perkins Loans do not have different repayment plan options.

The chart on page 42 shows typical monthly payments and total interest charges for three different Perkins Loan amounts over a 10-year period at the 5% rate.

What repayment plans are available for Stafford Loans?

Stafford Loan borrowers may choose from several repayment plans. Repayment plans offered for Stafford Loans are generally the same in the FFEL and Direct Loan programs, except for the Income-Contingent Repayment plan (available only in the Direct Loan Program) and the Income-Sensitive Repayment plan (available only in the FFEL Program).

The period for repaying a Stafford Loan varies from 10 to 25 years, depending on the amount owed and the repayment plan that you choose. When it comes time to repay, you can pick a repayment plan that's best-suited to your financial situation. The following repayment plans are available to Direct and FFEL Stafford Loan borrowers:

- **A Standard Repayment Plan** with a fixed annual repayment amount paid over a fixed period of time not to exceed 10 years.
- **A Graduated Repayment Plan** paid over a fixed period of time not to exceed 10 years. With this plan, your payments start with a relatively low amount and then increase, generally every two years.
- An **Extended Repayment Plan** with a fixed annual or graduated repayment amount to be paid over a period not to exceed 25 years. If you're a FFEL borrower, you must have more than \$30,000 in outstanding FFEL Program loans to be eligible for this plan. If you're a Direct Loan borrower, you must have more than \$30,000 in outstanding Direct LoansSM. This means, for example, that if you have \$35,000 in outstanding FFEL Program loans and \$10,000 in outstanding Direct Loans, you can choose the extended repayment plan for your FFEL Program loans but not for your Direct Loans. Your monthly payment will be lower than it would be under the Standard Plan, but you'll ultimately pay more for your loan because of the interest that accumulates during the longer repayment period.
- **Income-Contingent Repayment (ICR) Plan (Direct Loans only):** Your monthly payments will be based on your annual income (and that of your spouse, if married), your family size, and the total amount of your Direct Loans. Borrowers have 25 years to repay under this plan; any unpaid portion that remains after 25 years will be forgiven. However, you may have to pay income tax on the amount that is forgiven. Direct PLUS Loans made to parent borrowers may not be repaid under the ICR Plan. Visit www.dl.ed.gov for more information for the Direct Loan ICR Plan.
- **Income-Sensitive Repayment Plan (FFEL Loans only):** With an income-sensitive plan, your monthly loan payment is based on your annual income. As your income increases or decreases, so do your payments. The maximum repayment period is 10 years. Ask your lender* for more information on FFEL Income-Sensitive Repayment Plans.
- **Income-Based Repayment (IBR) Plan:** This new repayment option became available July 1, 2009. To qualify for the IBR Plan, you must have a partial financial hardship. Under this plan, during any period when you have a partial financial hardship, your required monthly payment amount will not exceed 15 percent of the difference between your adjusted gross income and 150 percent of the Federal Poverty Guideline amount for your family size and state. You are considered to have a partial financial hardship if the amount you would be required to repay on your eligible student loans under a Standard Repayment Plan with a 10-year repayment period is more than the amount you would be required to repay under the IBR Plan. If you repay under this plan and meet certain other requirements over a 25-year period, any remaining balance on your loans may be cancelled. PLUS Loans made to parent borrowers, and consolidation loans that repaid parent PLUS Loans, may not be repaid under the IBR Plan. Contact the Direct Loan Servicing Center (for Direct Loans) or your FFEL lender (for FFEL Program loans) for more information about the IBR Plan.

Key Facts About Repaying Direct and FFEL Stafford Loans

- If you don't choose a repayment plan when you first begin repayment, you'll be placed under the Standard Repayment Plan.
- You can change plans to suit your financial circumstances.

You'll get more information about repayment choices before you leave school and, later, from the holder of your loan. You can also get more details about repayment plans from our Web site, www.FederalStudentAid.ed.gov. The chart on the next page shows repayment plans for both programs. This chart also shows estimated monthly payments for various loan amounts under each plan and assumes that the student is making regular monthly payments on any unsubsidized loans and is not capitalizing the interest while in school. If the interest is capitalized* (added to the outstanding principal balance), the cumulative payments and total interest charges will be higher than shown in the chart.



Examples of Typical Direct and FFEL Stafford Loan Repayments

Estimated Monthly Payments and Total Amounts Repaid Under Different Repayment Plans							For Direct Loans Only: Income Contingent ^c (Income = \$25,000)			
Initial Debt When You Enter Repayment	Standard (not to exceed 10 years)		Extended ^a		Graduated ^b		Single		Married/HOH ^d	
	Per Month	Total Repaid	Per Month	Total Repaid	Per Month	Total Repaid	Per Month	Total Repaid	Per Month	Total Repaid
\$3,500	\$50	\$4,471	Not available		\$25	\$5,157	\$27	\$6,092	\$25	\$6,405
\$5,000	\$58	\$6,905			\$40	\$7,278	\$38	\$8,703	\$36	\$9,150
\$7,500	\$83	\$10,357			\$59	\$10,919	\$57	\$13,055	\$54	\$13,725
\$10,500	\$121	\$14,500			\$83	\$15,283	\$80	\$18,277	\$76	\$19,215
\$15,000	\$173	\$20,714			\$119	\$21,834	\$114	\$26,110	\$108	\$27,451
\$40,000	\$460	\$55,239	\$277	\$83,289	\$316	\$58,229	\$253	\$72,717	\$197	\$84,352

Payments are calculated using the fixed interest rate of 6.8 percent for student borrowers.

^a For an FFEL borrower, the requirement is that the borrower (1) must have had no outstanding balance on an FFEL Program loan as of Oct. 7, 1998, or on the date the borrower obtained an FFEL Program loan on or after that date, and (2) must have more than \$30,000 in outstanding FFEL Program loans. For a Direct Loan borrower, the requirement is that the borrower (1) must have had no outstanding balance on a Direct Loan Program loan as of Oct. 7, 1998, or on the date the borrower obtained a Direct Loan Program loan on or after that date, and (2) must have more than \$30,000 in outstanding Direct Loan Program loans. The amounts were rounded to the nearest dollar and were calculated based on a 25-year repayment plan.

^b This is an estimated monthly repayment amount for the first two years of the term and total loan payment. The monthly repayment amount will generally increase every two years, based on this plan.

^c Assumes a 5 percent annual growth (Census Bureau) and amounts were calculated using the formula requirements in effect during 2006.

^d HOH is Head of Household. Assumes a family size of two.

You can also find a repayment calculator at www.FederalStudentAid.ed.gov.

For a Perkins Loan, your school is the lender. Your school or its agent will provide you with the exact repayment amounts. The chart below is just an example of what a Perkins Loan repayment plan might be.

Examples of Typical Perkins Loan Repayments

Total Loan Amount	Number of Payments	Approximate Monthly Payment	Total Interest Charges	Total Repaid
\$ 4,000	120	\$42.43	\$1,091.01	\$5,091.01
\$ 5,000	120	\$53.03	\$1,364.03	\$6,364.03
\$ 15,000	120	\$159.10	\$4,091.73	\$19,091.73

Federal Perkins Loans do not have different repayment options. Your payment depends on the amount you borrow, but the minimum is \$40 per month.

How do parents or graduate and professional degree students repay their PLUS Loan?

Parents and graduate and professional degree students have nearly all the repayment options that Direct and FFEL Stafford Loan borrowers have. The exception is the Income Contingent Repayment Plan (available only in the Direct Loan Program) and the Income-Based Repayment Plan are not available for PLUS Loans made to parent borrowers.

Postponing Loan Repayment (Deferment and Forbearance)

Under certain circumstances, you can receive periods of deferment or forbearance that allow you to postpone loan repayment. These periods don't count toward the length of time you have to repay your loan. You can't get a deferment or forbearance for a loan that is already in default.*



What is deferment?

A deferment is a period of time during which no payments are required. To qualify for a deferment, you must meet specific eligibility requirements. Interest does not accrue (accumulate) on subsidized Stafford Loans during a deferment period, but you are responsible for paying the interest that accrues during a deferment on unsubsidized Stafford Loans. If you don't pay the interest that accrues on an unsubsidized Stafford Loan during a deferment period, it will be capitalized (added to the loan principal balance) at the end of the deferment.

How do I qualify for a deferment?

The most common loan deferment conditions are enrollment in school at least half-time,* inability to find full-time employment (for up to three years), economic hardship (for up to three years), and military service (see below).

Military service deferments

An active duty military deferment is available to borrowers in the FFEL, Direct Loan and Perkins Loan programs who are called to active duty during a war or other military operation or national emergency. This deferment is available while the borrower is serving on active duty during a war or other military operation or national emergency, or performing qualifying National Guard duty during a war or other military operation or national emergency, and, if the borrower was serving on or after Oct. 1, 2007, for an additional 180-day period following the demobilization date for the qualifying service.

A borrower who is a member of the National Guard or other reserve component of the U.S. Armed Forces (current or retired) and is called or ordered to active duty while enrolled at least half-time at an eligible school or within 6 months of having been enrolled at least half-time is eligible for a deferment during the 13 months following the conclusion of the active duty service, or until the borrower returns to enrolled student status on at least a half-time basis, whichever is earlier.

Can parents or graduate and professional degree students defer repayment of their PLUS Loan?

Yes. Generally, the same deferment provisions that apply to Stafford Loans apply to PLUS Loans. Because PLUS Loans are unsubsidized, **parents and graduate and professional degree students will be charged interest during periods of deferment.**

If they don't pay the interest as it accrues, it will be capitalized* (added to their outstanding principal* balance). Parent PLUS borrowers may defer repayment of PLUS Loans first disbursed on or after July 1, 2008, while the student for whom the loan was obtained is enrolled at least half-time, and for an additional six months after the student ceases to be enrolled at least half-time.*

The Loan Deferment Summary Chart (see page 44) shows Stafford and Perkins Loan deferments for loans disbursed on or after July 1, 1993. For information on deferments for loans received before that date, Direct Stafford and PLUS Loan borrowers should contact the Direct Loan Servicing Center at **1-800-848-0979**.

TTY users should call **1-800-848-0983**. Or, go online at **www.dl.ed.gov**. FFEL Stafford and PLUS Loan borrowers should contact their lender. For more information on deferments, contact your lender or the financial aid office at your school.

What is forbearance?

If you are temporarily unable to make your monthly loan payments (for example, due to illness or financial hardship) but you do not meet the eligibility requirements for a deferment, your lender may grant you forbearance for a limited and specific period of time. Forbearance allows you to temporarily postpone or reduce your student loan payments. Interest continues to accrue (accumulate), however, and you are responsible for paying it, no matter what kind of loan you have.

In some cases, your loan holder is required to grant forbearance if you meet certain requirements. For example, your loan holder must grant forbearance if you:

- are in a medical or dental internship or residency;
- have student loan payments that are 20 percent or more of your monthly income;
- have payments being made for you by the Department of Defense.

You must request forbearance and in some cases must provide documentation showing that you meet the eligibility requirements.

Contact your lender or loan servicing agency for more information.

Loan Deferment Summary Chart

Deferment Condition	Stafford Loans		Perkins Loans
	Direct Loans ^{a,b}	FFEL Loans ^{a,c}	
At least half-time* study at a postsecondary school	YES	YES	YES
Study in an approved graduate fellowship program or in an approved rehabilitation training program for the disabled	YES	YES	YES
Unable to find full-time employment	Up to 3 Years	Up to 3 Years	Up to 3 Years
Economic hardship (includes Peace Corps Service)	Up to 3 Years	Up to 3 Years	Up to 3 Years
Engages in service listed under discharge/cancellation conditions	NO	NO	YES ^c
Active Military Duty while borrower is on active duty during a war or other military operation or national emergency and if the borrower was serving on or after Oct. 1, 2007, for an additional 180-day period following the demobilization date for the qualifying service	YES	YES	YES
For a borrower who is a member of the National Guard or other reserve component of the U.S. Armed Forces (current or retired) and is called or ordered to active duty while enrolled at least half-time at an eligible school or within 6 months of having been enrolled at least half-time, during the 13 months following the conclusion of the active duty service, or until the borrower returns to enrolled student status on at least a half-time basis, whichever is earlier	YES	YES	YES

a For PLUS Loans and unsubsidized Stafford Loans, only principal is deferred. Interest continues to accrue.*

b A Direct Loan borrower who had an outstanding balance on a FFEL Loan first disbursed before July 1, 1993, when the borrower received his or her first Direct Loan, is eligible for additional deferments.

c More information on teaching and other types of service deferments and cancellations can be found online at www.FederalStudentAid.ed.gov. At the site, click on "Students, Parents and Counselors."

You MUST continue making payments on your student loan until you have been notified that your request for deferment has been granted. If you don't, and your deferment is not approved, you will become delinquent and may default* on your loan.

Applying for deferment or forbearance

Receiving deferment or forbearance is not automatic. You or your parents must apply for it.

- **Federal Perkins Loans**—Contact the school that made your loan or the school's servicing agent.
- **Direct Loans**—Contact the Direct Loan Servicing Center at: **1-800-848-0979**. TTY users should call **1-800-848-0983** or go to: **www.dl.ed.gov**.
- **FFEL Loans**—Contact the lender or agency holding your loan.

You are responsible for paying the interest that accrues (accumulates) during a period of forbearance on any type of loan, whether subsidized or unsubsidized.

NOTE: Receiving deferment or forbearance is not automatic, you must apply for it.

Consolidating Your Loans

What is loan consolidation?

Student and parent borrowers can consolidate (combine) multiple federal student loans with various repayment schedules into one loan: either a FFEL Consolidation Loan or a Direct Consolidation Loan. The result is a single monthly payment instead of multiple monthly payments.

With a consolidation loan:

- Your monthly payment might be lower.
- Your repayment period may be extended (up to 30 years, depending on the amount of your consolidation loan and your other student loan debt).



Compare the cost of repaying your unconsolidated loans with the cost of repaying a consolidation loan. Things to consider are:

- Whether you'll lose any borrower benefits if you consolidate, such as interest rate discounts or principal* rebates, as these benefits can significantly reduce the cost of repaying your loans.
- If you include a Perkins Loan in your consolidation loan, you will lose cancellation benefits that are only available in the Perkins Loan Program.

Carefully review your consolidation options before you apply. Talk to the holder of your loan(s) for more information before you consolidate.

If you're in default* on a federal student loan, you still might be able to consolidate if you make satisfactory repayment arrangements on the defaulted loan or agree to repay the consolidation loan under the Income-Contingent, Income-Sensitive, or Income-Based Repayment Plans, provided the defaulted loan is not subject to a judgment or wage garnishment.

What kinds of loans can be consolidated?

All **federal student loans** discussed in this guide are eligible for consolidation, and others can be included. To get a complete list of your loans that are eligible for consolidation, contact your lender or the agent servicing your loan(s).

When can I consolidate my loans?

For both FFEL and Direct Loans you can consolidate:

- During your grace period.
- Once you've entered repayment (the day after the end of the six-month grace period).
- During periods of deferment or forbearance.

How do I get a consolidation loan and where can I get more information?

- **FFEL Consolidation Loan**—Contact the consolidation department of a participating lender for an application and more information. You may consolidate your loans with any eligible consolidation lender in the FFEL program.
- **Direct Consolidation Loan**—Contact the Direct Loan Consolidation Department at **1-800-557-7392**, or go to **www.loanconsolidation.ed.gov**. TTY users may call **1-800-557-7395**.

What's the interest rate on a consolidation loan?

The interest rate for both Direct and FFEL Consolidation Loans is a fixed rate for the life of the loan. The fixed rate is based on the weighted average of the interest rates on all of the loans you consolidate, rounded up to the nearest one-eighth of 1 percent. The interest rate will never exceed 8.25%.

Are there any disadvantages to getting a consolidation loan?

Yes, there could be. For example, consolidation may significantly increase the total cost of repaying your loans. Because you may have a longer period of time to repay, you'll pay more interest. If you received certain borrower benefits on a loan, such as interest discounts or rebates, those benefits may be lost if you consolidate the loan. Also, as noted earlier, cancellation benefits on a Perkins Loan are lost if the loan is consolidated.

Loan Cancellation

Is it ever possible to have my federal student loan canceled?

Under certain specific circumstances, you can have all or part of your loan canceled, discharged, or forgiven. For more information, go to **www.studentaid.ed.gov/discharges**.

In certain cases, you may be able to have all or a part of your loan canceled because:

- Your school closed before you completed your program.
- Your school forged your signature on your promissory note or falsely certified that you were eligible to get the loan.
- Your loan was falsely certified because of identity theft (additional requirements apply).
- You withdrew from school but the school didn't pay a refund that it owed under its written policy or our regulations. Check with the school to see how refund policies apply to federal aid at the school.
- Your loan may be cancelled if it is discharged in bankruptcy. This is not an automatic process—you must prove to the bankruptcy court that repaying the loan would cause undue hardship.
- **For teacher service:** if you are a new borrower (you did not have an outstanding balance on an FFEL or Direct Loan on Oct. 1, 1998, or on the date you obtained an FFEL or Direct Loan after Oct. 1, 1998) and are a full-



time teacher in a low-income elementary or secondary school for five consecutive years, you may be able to have as much as \$17,500 of your subsidized or unsubsidized loans canceled. This provision is not available for borrowers of PLUS Loans. For more information visit www.FederalStudentAid.ed.gov/TC or call the Direct Loan Servicing Center at **1-800-848-0979**.

- **For public service:** if you are employed in certain public service jobs and have made 120 payments on your Direct Loans (after Oct. 1, 2007), the remaining balance that you owe may be forgiven. Only payments made under certain repayment plans may be counted toward the required 120 payments. You must not be in default on the loans that are forgiven. For more information, go to www.studentaid.ed.gov/students/attachments/siteresources/LoanForgivenessv4.pdf.

Total and Permanent Disability

Your loan may be discharged if you are determined to be totally and permanently disabled and you meet certain requirements. To apply for this discharge, you must provide a physician's statement that you became totally and permanently disabled after the loan was made. For a student who dies, the loan will be canceled if a family member or other representative provides an original or a copy of the original or certified copy of the death certificate to the Direct Loan Servicing Center. You can find more information at www.disabilitydischarge.ed.gov or call the Servicing Center (**1-800-848-0979**)

The following two charts: Perkins Loan Cancellation Summary (page 47) and Stafford and PLUS Loan Cancellation Summary (page 48) are complete lists of discharge/cancellation provisions for Perkins Loans and Stafford Loans.

How do I find out if I can get a loan discharge or cancellation?

After reviewing the conditions, if you think you qualify, you must apply to the holder of your loan.

- **Federal Perkins Loans**—Check with the school that made you the loan or with the school's loan servicing agent.
- **Direct Stafford Loans**—Contact the Direct Loan Servicing Center at **1-800-848-0979**. TTY users can call **1-800-848-0983**. Or, go to www.dl.ed.gov.
- **FFEL Stafford Loans**—Contact your lender or its loan servicing agent.

The information in this guide was compiled in the summer of 2009. For changes to the federal student aid programs since then, visit www.FederalStudentAid.ed.gov.



Perkins Loan Cancellation and Discharge Summary Chart

Cancellation Conditions ^a	Amount Forgiven
Bankruptcy (in rare cases—cancellation is possible only if the bankruptcy court rules that repayment would cause undue hardship) ^a	100 percent
Closed school (before student could complete program of study)—applies to loans received on or after Jan. 1, 1986 ^a	100 percent
Borrower's total and permanent disability ^b or death ^a	100 percent
Full-time teacher in a designated elementary or secondary school serving students from low-income families ^{a,c}	Up to 100 percent
Full-time special education teacher (includes teaching children with disabilities in a public or other nonprofit elementary or secondary school) ^{a,c}	Up to 100 percent
Full-time qualified professional provider of early intervention services for the disabled ^a	Up to 100 percent
Full-time teacher of math, science, foreign languages, bilingual education, or other fields designated as teacher shortage areas ^a	Up to 100 percent
Full-time employee of a public or nonprofit child- or family-services agency providing services to high-risk children and their families from low-income communities ^a	Up to 100 percent
Full-time nurse or medical technician ^a	Up to 100 percent
Full-time law enforcement or corrections officer ^a	Up to 100 percent
Full-time staff member in the education component of a Head Start Program ^a	Up to 100 percent
VISTA or Peace Corps volunteer ^a	Up to 70 percent
Service in the U.S. Armed Forces ^a	Up to 50 percent in areas of hostilities or imminent danger
Full-time teacher in a designated educational service agency serving students from low-income families ^d	Up to 100 percent
Full-time special education teacher (includes teaching children with disabilities in educational service agency) ^d	Up to 100 percent
Full-time staff member in a prekindergarten or child care program that is licensed or regulated by a state ^d	Up to 100 percent
Full-time fire fighter ^d	Up to 100 percent
Full-time faculty member at a Tribal College or University ^d	Up to 100 percent
Full-time speech pathologist with a master's degree working in a Title I-eligible elementary or secondary school ^d	Up to 100 percent
Librarian with a master's degree working in a Title I-eligible elementary or secondary school or in a public library serving Title I-eligible schools ^d	Up to 100 percent
Full-time attorney employed in a public or community defender organization ^d	Up to 100 percent
Service in the U.S. Armed Forces ^d	Up to 100 percent in areas of hostilities or imminent danger

a As of Oct. 7, 1998, all Perkins Loan borrowers are eligible for all cancellation benefits regardless of when the loan was made or the terms of the borrower's promissory note.* However, this benefit is not retroactive to services performed before Oct. 7, 1998.

b Total and permanent disability is defined as the condition of an individual who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death; has lasted for a continuous period of not less than 60 months; can be expected to last for a continuous period of not less than 60 months; or has been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected disability. For more information on qualifying for this discharge, contact your loan holder.

c Detailed information on teaching service cancellation/deferment options can be found at www.FederalStudentAid.ed.gov. At the site, click on "Students, Parents and Counselors."

d As of Oct. 7, 1998, all Perkins Loan borrowers are eligible for all cancellation benefits regardless of when the loan was made or the terms of the borrower's promissory note. Service must include August 14, 2008.



Stafford and PLUS Loan Cancellation and Discharge Summary Chart

Discharge/Forgiveness Condition	Amount Discharged/Forgiven	Notes
Borrower's total and permanent disability or death. [†]	100 percent	For a PLUS Loan, includes the death, but not disability, of the student for whom the parents borrowed.
Full-time teacher for five consecutive years in a designated elementary or secondary school serving students from low-income families. Must meet additional eligibility requirements.	Up to \$5,000 (up to \$17,500 for teachers in certain specialties) of the total loan amount outstanding after completion of the fifth year of teaching. Under the Direct and FFEL Consolidation Loan programs, only the portion of the consolidation loan used to repay eligible Direct Loans or FFEL Loans qualifies for loan forgiveness.	For Direct and FFEL Stafford Loan borrowers with no outstanding balance on a Direct or FFEL Loan on Oct. 1, 1988, or on the date they received a loan on, or after that date. PLUS Loans are not eligible. At least one of the five consecutive years of teaching must occur after the 1997–98 academic year.* Teaching at an educational service agency may count toward the required five consecutive years only if the consecutive five-year period includes teaching service at an educational service agency performed after the 2007–2008 academic year. To find out whether your school is considered a low-income school, go to www.FederalStudentAid.ed.gov . Click on "Students, Parents and Counselors." Or call 1-800-4-FED-AID (1-800-433-3243) .
Bankruptcy (in rare cases)	100 percent	Cancellation is possible only if the bankruptcy court rules that repayment poses an undue hardship to the borrower.
Closed school (for borrowers who could not complete their program because the school closed while they were enrolled)	100 percent	For loans received on or after Jan. 1, 1986.
False loan certification (school falsely certified a borrower's eligibility to receive a loan)	100 percent	For loans received on or after Jan. 1, 1986.
False certification by reason of identity theft (loan was made as a result of the crime of identity theft, as determined by a court)	100 percent	Effective July 1, 2006.
School does not make required return of loan funds to the lender	Up to the amount that the school was required to return.	For loans received on or after Jan. 1, 1986.
Loan forgiveness for public service employees	100 percent of the remaining outstanding balance on an eligible Direct Loan.	For a borrower not in default and who makes 120 monthly payments on the loan after Oct. 1, 2007.

[†] Total and permanent disability is defined as the condition of an individual who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death; has lasted for a continuous period of not less than 60 months; can be expected to last for a continuous period of not less than 60 months; or has been determined by the Secretary of Veterans Affairs to be unemployable due to a service-connected disability. For more information on qualifying for this discharge, contact your loan holder.



Important Terms

Ability-to-Benefit (ATB)

Academic Year

Accreditation

Agreement to Serve

Award Letter

Capitalization

Cost of Attendance (COA)

Default

Direct Loan ProgramSM

Eligible Noncitizen

Eligible Program

Expected Family Contribution (EFC)

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Financial Aid Package

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General Educational Development (GED) Certificate

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National Student Loan Data SystemSM (NSLDSSM)

Principal

Promissory Note

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Satisfactory Academic Progress

Selective Service Registration

Student Aid Report (SAR)



Ability-to-Benefit (ATB)

One of the criteria used to establish student eligibility in order to receive Title IV program assistance is that a student must have earned a high school diploma or its equivalent. Students who are not high school graduates (or who have not earned a General Educational Development [GED] Certificate) can demonstrate that they have the “ability to benefit” from the education or training being offered by passing an approved ability-to-benefit (ATB) test. Another way to demonstrate your ability-to-benefit is to successfully complete 6 credit hours or the equivalent coursework that are applicable toward a degree or certificate program offered by the institution.

Academic Year

The measure of the academic work to be accomplished by a student each year as defined by the school and that meets minimum requirements in the law. For example, a school’s academic year may consist of a fall and spring semester during which a full-time undergraduate student must complete at least 24 semester hours. Academic years vary from school to school and even from educational program to educational program at the same school.

Accreditation

Accreditation means that the school meets certain minimum academic standards, as defined by the accrediting body. The school must have accreditation from an accrediting body recognized by the U.S. Department of Education to be eligible to participate in the administration of federal student aid programs.

Agreement to Serve (ATS)

A contractual obligation by the recipient under which a student receiving a TEACH Grant commits to teach full-time in a high-need field at a low-income school or educational service agency or at certain low-income schools and within certain high-need fields for at least four complete academic years within eight years after completing (or ceasing enrollment in) the course of study for which the student received the grant.

If you do not complete your teaching service obligation, the amounts of the TEACH Grants you received will be converted to a Direct Unsubsidized Loan that you must repay with interest charged from the date of each TEACH Grant disbursement.

Award Letter

An award letter from a school states the type and amount of financial aid the school is willing to provide if you accept admission and register to take classes at that school. To continue to receive these awards, recipients will need to meet the eligibility requirements of the aid programs.

Capitalization

The addition of unpaid interest to the principal balance of a loan. With certain loans, such as subsidized Direct and FFELSM Stafford Loans, the U.S. Department of Education pays the interest that accrues while the student is enrolled at least half-time, during the grace period, and during periods of deferment. However, for unsubsidized Stafford Loans or PLUS Loans, the borrower is responsible for paying the interest as it accrues during all periods. Interest is also charged to the borrower during periods of forbearance on all loan types (subsidized or unsubsidized). When the interest is not paid, it is capitalized at the end of the grace, deferment, or forbearance period. This increases the outstanding principal amount due on the loan. Interest is then charged on that higher principal balance, increasing the overall cost of the loan to the borrower.

Cost of Attendance (COA)

The total amount it will cost you to go to school—usually expressed as a yearly figure. It’s determined using rules established by law. The COA includes tuition and fees; on campus room and board (or a housing and food allowance for off-campus students); and allowances for books, supplies, transportation, loan fees, and, if applicable, dependent care. It also includes miscellaneous and personal expenses, including an allowance for the rental or purchase of a personal computer. Costs related to a disability are also covered. The COA includes reasonable costs for eligible study-abroad programs as well. For students attending less than half-time, the COA includes tuition and fees and an allowance for books, supplies, transportation and dependent care expenses, and can also include room and board for up to three semesters or the equivalent at the institution. But no more than two of those semesters, or the equivalent, may be consecutive. Talk to the financial aid administrator at the school you’re planning to attend if you have any unusual expenses that might affect your cost of attendance.

Default

Failure to repay a loan according to the terms agreed to when you signed a promissory note. For the FFEL and Direct Loan programs, default is more specific—it occurs if you fail to make a payment for 270 days if you repay monthly (or 330 days if your payments are due less frequently). The consequences of default are severe. Your school, the lender or agency that holds your loan, the state and the federal government may all take action to recover the money, including notifying national credit bureaus of your default. This may affect your credit rating for as long as seven years. For example, you might find it difficult to borrow money from a bank to buy a car or a house. In addition, the Internal Revenue Service can withhold your U.S. individual income tax refund and apply it to the amount you owe, or the agency holding your loan might ask your employer to deduct payments from your paycheck. Also, you may be liable for loan collection expenses. If you return to school, you’re not entitled to receive additional federal student financial aid. Legal action also might be taken against you. In many cases, default can be avoided by submitting a request for a deferment, forbearance, discharge or cancellation and by providing the required documentation.



Direct Loan ProgramSM

The William D. Ford Federal Direct Loan Program. Loans made through this program are referred to as Direct Loans. Eligible students and parents borrow directly from the U.S. Department of Education at participating schools. Direct Loans include subsidized and unsubsidized Direct Stafford Loans (also known as Direct Subsidized Loans and Direct Unsubsidized Loans), Direct PLUS Loans, and Direct Consolidation Loans. You repay these loans directly to the U.S. Department of Education.

Eligible Noncitizen

You must be one of the following to receive federal student aid:

- U.S. citizen
- U.S. national (includes natives of American Samoa or Swain's Island)
- U.S. permanent resident who has an I-151, I-551, or I-551C (Permanent Resident Card). If you're not in one of these categories, you must have an Arrival-Departure Record (I-94) from U.S. Citizenship and Immigration Services (USCIS) showing one of the following designations:
 - ▶ "Refugee"
 - ▶ "Asylum Granted"
 - ▶ "Cuban-Haitian Entrant, Status Pending"
 - ▶ "Conditional Entrant" (valid only if issued before April 1, 1980)
 - ▶ Victims of human trafficking, T-visa holder or if the student's parent is the holder of a T-1 visa.
 - ▶ "Parolee" (You must be paroled into the United States for at least one year and you must be able to provide evidence from the USCIS that you are in the United States for other than a temporary purpose and that you intend to become a U.S. citizen or permanent resident.)

If you only have a Notice of Approval to Apply for Permanent Residence (I-171 or I-464), you're not eligible for federal student financial aid. If you're in the United States on certain visas, including an F1 or F2 student visa, or a J1 or J2 exchange visitor visa, you're not eligible for federal student financial aid. Also, people with G series visas (pertaining to international organizations) are not eligible for federal student financial aid. For more information about other types of visas that are not acceptable, check with your school's financial aid office. Citizens and eligible noncitizens may receive loans from the FFEL Program at participating foreign schools. Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau are eligible only for certain types of federal student aid. These applicants should check with their schools' financial aid office for more information.

Eligible Program

A program of organized instruction or study that leads to an academic, professional or vocational degree or certificate, or other recognized educational credential. To receive federal student financial aid, you must be enrolled in an eligible program, with two exceptions:

- If a school has told you that you must take certain course work to qualify for admission into one of its eligible programs, you can get a Stafford Loan for up to 12 consecutive months while you're completing that preparatory course work. You must be enrolled at least half-time*, and you must meet the usual federal student financial aid eligibility requirements.
- If you're enrolled at least half-time* in a program to obtain a professional credential or certification required by a state for employment as an elementary or secondary school teacher, you can get a Federal Perkins Loan, Federal Work-Study, a Stafford Loan, or your parents can get a PLUS Loan, while you're enrolled in that program.

Expected Family Contribution (EFC)

Your Expected Family Contribution (EFC) is the number that's used to determine your eligibility for federal student financial aid. This number results from the financial information you provided in your FAFSASM application. Your EFC is reported to you on your *Student Aid Report* (SAR).

Financial Aid Administrator (FAA)

An individual who works at a college or career school and is responsible for preparing and communicating information on student loans, grants or scholarships and employment programs. The FAA and staff help students apply for and receive student aid. The FAA is also capable of analyzing student needs and making professional judgment changes when necessary.

Financial Aid Package

The total amount of financial aid (federal and nonfederal) a student is offered by the school. The financial aid administrator at a postsecondary institution combines various forms of aid into a "package" to help meet a student's education costs. Using available resources to give each student the best possible package of aid is one of the aid administrator's major responsibilities. Because funds are often limited, an aid package might fall short of the amount a student needs to cover the full cost of attendance. Also, the amount of federal student aid in a package is affected by other sources of aid received (scholarships, state aid, etc.).

FFELSM Program

The Federal Family Education Loan (FFEL) Program. Loans made through this program are referred to as FFEL Loans. Private lenders provide funds that are guaranteed by the federal government. FFEL Loans include subsidized and unsubsidized FFEL Stafford Loans, FFEL PLUS Loans and FFEL Consolidation Loans. You repay these loans to the bank or private lender that made you the loan.

General Educational Development (GED) Certificate

This is a certificate students receive if they've passed a specific, approved high school equivalency test. Students who have a GED may still qualify for federal student aid. A school that admits students without a high school diploma must make available a GED program in the vicinity of the school and must inform students about the program.



Guaranty Agency

The guaranty agency is an organization that administers the Federal Family Education Loan (FFEL) Program in your state. This agency can give you information on FFEL Loans. For the name, address and telephone number of the agency serving your state, you can contact the Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243)**.

Half-time

At schools measuring progress in credit hours and semesters, trimesters, or quarters, “half-time” is at least six semester hours or quarter hours per term for an undergraduate program. At schools measuring progress by credit hours but not using semesters, trimesters or quarters, “half-time” is at least 12 semester hours or 18 quarter hours per year. At schools measuring progress by clock hours, “half-time” is at least 12 hours per week. Note that schools may choose to set higher minimums than these. You must be attending school at least half-time to be eligible for a Stafford Loan. Half-time enrollment is not a requirement to receive aid from the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work-Study and Federal Perkins Loan programs.

Lender

The organization that made the loan initially. The lender could be the borrower’s school (for Federal Perkins Loans); a bank, credit union, or other lending institution (for FFELs); or the U.S. Department of Education (for Direct LoansSM).

National Student Loan Data SystemSM (NSLDSSM)

NSLDSSM is our database for federal student financial aid where you can find out about the aid you’ve received. If you’ve only just applied for aid, you won’t find any information on NSLDS yet. NSLDS receives data from schools, guaranty agencies* and U.S. Department of Education programs. The NSLDS Web site is generally available 24 hours a day, seven days a week. By using your PIN, you can get information on federal loan and Pell Grant amounts, outstanding balances, the status of your loans and disbursements made. You can access NSLDS at www.nsls.ed.gov.

Principal

The amount of money borrowed by the student. Interest is charged on this amount.

Promissory Note

A promissory note is a document you must sign before you receive a student loan. The promissory note is a legally binding agreement to repay the loan. It lists the terms and conditions under which you agreed to repay the loan and explains your rights and responsibilities as a borrower. It will include information on how interest is calculated and what deferment and cancellation provisions are available to the borrower. It’s very important to read and save this document because you’ll need to refer to it later when you begin repaying your loan or at other times when you need information about provisions of the loan, such as deferments or forbearances.

Regular Student

A regular student is one who is enrolled or accepted for enrollment at an institution for the purpose of obtaining a degree, certificate or other recognized education credential offered by that institution. Generally, to receive federal student financial aid from the programs discussed in this guide, you must be a regular student. There are exceptions to this requirement for some programs.

Satisfactory Academic Progress

To be eligible to receive federal student financial aid, you must meet and maintain your school’s standards of satisfactory academic progress toward a degree or certificate offered by that institution. Check with your school to find out its standards.

Selective Service Registration

If you are a male born on or after Jan. 1, 1960, are at least 18 years old, and are not currently on active duty in the U.S. Armed Forces, you must register, or arrange to register, with the Selective Service System to receive federal student aid before your 26th birthday. (Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands or the Republic of Palau are exempt from registering.) There is a checkbox on the FAFSA that allows you to register with the Selective Service System.

Student Aid Report (SAR)

After you apply for federal student financial aid, you’ll get your FAFSA results in an e-mail report within a few days after your FAFSA has been processed or by mail in a few weeks. This report is called a *Student Aid Report* or SAR. Your SAR details all the information you provided on your FAFSA. If there are no corrections or additional information you must provide, the SAR will contain your Expected Family Contribution* (EFC), which is the number that’s used to determine your eligibility for federal student aid. Whether you applied online or by paper, we will automatically send your data electronically to the schools you listed on your FAFSA.



State Higher Education Agencies

*L*isted on the next pages are the state agencies responsible for administering state financial aid programs. You should apply for any available state aid as well as federal aid and private scholarships. There also is a list of state education agency contact information at www.ed.gov/Programs/bastmp/SHEA.htm (this URL is case-sensitive).



Alabama

Alabama Commission on Higher Education

Toll-free: 1-800-960-7773

Web site: www.ache.state.al.us

Alaska

Alaska Commission on Postsecondary Education

Toll-free: 1-800-441-2962

Web site:

www.alaskaadvantage.state.ak.us

Arizona

Arizona Commission for Postsecondary Education

Phone: 602-258-2435

Web site: www.azhighered.org

Arkansas

Arkansas Department of Higher Education

Toll-free: 1-800-54-STUDY

Web site: www.arkansashighered.com

<http://www.adhe.ed/student/pages/students.aspx#1>

California

California Student Aid Commission

Toll-free: 1-888-224-7268

Web site: www.csac.ca.gov

Colorado

Colorado Commission on Higher Education

Phone: 303-866-2723

Web site: www.state.co.us/cche

<http://highered.colorado.gov/finance/financialaid/>

Connecticut

Connecticut Department of Higher Education

Phone: 860-947-1855

Web site: www.ctdhe.org

Delaware

Delaware Higher Education Commission

Toll-free: 1-800-292-7935

Web site: www.doe.state.de.us/high-ed

District of Columbia

Office of the State Superintendent of Education

Phone: 202-727-2824

Web site: www.seo.dc.gov

Florida

Office of Student Financial Assistance, Florida Department of Education

Toll-free: 1-888-827-2004

Web site: www.floridastudentfinancialaid.org

Georgia

Georgia Student Finance Commission

Toll-free: 1-800-505-4732

Web site: www.gsfc.org

Hawaii

University of Hawaii System

Phone: 808-956-7251

Web site: www.hawaii.edu/admissions/aid.html

Idaho

Idaho State Board of Education

Phone: 208-332-1574

Web site: www.boardofed.idaho.gov/scholarships

Illinois

Illinois Student Assistance Commission

Toll-free: 1-800-899-4722

Web site: www.collegezone.com

Indiana

State Student Assistance Commission of Indiana

Toll-free: 1-888-528-4719

Web site: www.in.gov/ssaci

Iowa

Iowa College Student Aid Commission

Toll-free: 1-877-272-4456

1-515-725-3400

Web site: www.iowacollegeaid.org

Kansas

Kansas Board of Regents

Phone: 785-296-3421

Web site: www.kansasregents.org

Kentucky

Kentucky Higher Education Assistance Authority

Toll-free: 1-800-928-8926

Web site: www.kheaa.com

Louisiana

Louisiana Office of Student Financial Assistance

Toll-free: 1-800-259-5626

Web site: www.osfa.state.la.us

Maine

Finance Authority of Maine

Toll-free: 1-800-228-3734

Web site: www.famemaine.com

Maryland

Maryland Higher Education Commission

Toll-free: 1-800-974-1024

Web site: www.mhec.state.md.us

Massachusetts

Massachusetts Board of Higher Education, Office of Student Financial Assistance

Phone: 617-727-9420

Web site: www.osfa.mass.edu

Michigan

Student Financial Services Bureau

Toll-free: 1-800-642-5626,

ext. 37054

Web site: www.michigan.gov/mistudentaid



Minnesota

Minnesota Office of Higher Education
Toll-free: 1-800-657-3866
Web site: www.ohe.state.mn.us

Mississippi

Mississippi Office of Student Financial Aid, Mississippi Institutions of Higher Learning
Toll-free: 1-800-327-2980
Web site: www.mississippi.edu/riseupms/financialaid-state.php

Missouri

Missouri Department of Higher Education
Toll-free: 1-800-473-6757
Web site: www.dhe.mo.gov

Montana

Montana Guarantee Student Loan Program
Toll-free: 1-800-537-7508
Web site: www.mgslp.state.mt.us

Nebraska

Nebraska Coordinating Commission for Postsecondary Education
Phone: 402-471-0032
Web site: www.ccpe.state.ne.us

Nevada

Office of the State Treasurer
Toll-free: 1-888-477-2667
Web site: www.nevadatreasurer.gov

New Hampshire

New Hampshire Postsecondary Education Commission
Phone: 603-271-2555
Web site: www.nh.gov/postsecondary/financial/index.html

New Jersey

New Jersey Higher Education Student Assistance Authority
Toll-free: 1-800-792-8670
Web site: www.hesaa.org

New Mexico

New Mexico Higher Education Department
Toll-free: 1-800-279-9777
Web site: www.hed.state.nm.us

New York

New York State Higher Education Services Corporation
Toll-free: 1-888-697-4372
Web site: www.hesc.org

North Carolina

College Foundation of North Carolina
Toll-free: 1-866-866-2362
Web site: www.cfnc.org

North Dakota

North Dakota University System
Phone: 701-328-2960
Web site: www.ndus.edu

Ohio

Ohio Board of Regents
Toll-free: 1-888-833-1133
(for information specifically about Ohio programs)
Toll-free: 1-877-428-8246
(for information about other sources of financial aid)
Web site: regents.ohio.gov/sgs/index.php

Oklahoma

Oklahoma State Regents for Higher Education
Toll-free: 1-800-858-1840
Web site: www.okhighered.org

Oregon

Oregon Student Assistance Commission
Phone: 541-687-7400
Toll-free: 1-800-452-8807
Web site: www.osac.state.or.us

Pennsylvania

Pennsylvania Higher Education Assistance Agency
Toll-free: 1-800-692-7392
Web site: www.pheaa.org

Rhode Island

Rhode Island Higher Education Assistance Authority
Toll-free: 1-800-922-9855
Web site: www.riheaa.org/borrowers

South Carolina

South Carolina Commission on Higher Education
Toll-free: 803-737-2260
Web site: www.che.sc.gov

South Dakota

South Dakota Board of Regents
Phone: 605-773-3455
Web site: www.sdbor.ed/student/prospective

Tennessee

Tennessee Student Assistance Corporation
Toll-free: 1-800-342-1663
Web site: www.collegepaystn.com

Texas

Texas Higher Education Coordinating Board; Texas Financial Aid Information Center
Toll-free: 1-888-311-8881
Web site: www.collegefortexans.com



Utah

Utah Higher Education Assistance Authority
Toll-free: 1-877-336-7378
Web site: www.uheaa.org

Vermont

Vermont Student Assistance Corporation
Toll-free: 1-800-642-3177
Web site: www.vsac.org

Virginia

State Council of Higher Education for Virginia
Toll-free: 1-877-516-0138
Web site: www.schev.edu

Washington

Washington State Higher Education Coordinating Board
Toll-free: 1-888-535-0747
Web site: www.hecb.wa.gov

West Virginia

West Virginia Higher Education Policy Commission
Toll-free: 1-888-825-5707
Web site: www.hepc.wvnet.edu

Wisconsin

Wisconsin Higher Educational Aids Board
Phone: 608-267-2206
Web site: www.heab.wisconsin.gov

Wyoming

Wyoming Department of Education
Phone: 307-777-7690
Web site: <http://www.k12.wy.us/grants.asp>

U.S. Territories

American Samoa

American Samoa Community College
Phone: 011-684-699-9155
Web site: www.ascc.as

Commonwealth of the Northern Mariana Islands

Northern Marianas College Financial Aid Office
Phone: 011-670-234-5498
Web site: www.nmcnet.edu

Federated States of Micronesia

Federated States of Micronesia Department of Education
Phone: 011-691-320-2609
Web site: www.literacynet.org/micronesia/doe.html

Guam

University of Guam
Phone: 011-671-735-2288
Web site: www.uog.edu

Puerto Rico

Puerto Rico Council on Higher Education
Phone: 1-787-641-7100
Web site: www.ces.gobierno.pr

Republic of Palau

Republic of Palau Ministry of Education
Phone: 011-680-488-2471
Web site: www.palaumoe.net

Republic of the Marshall Islands

Marshall Islands Scholarship Grant and Loan Board
Phone: 011-692-625-5770
Web site: www.rmischolarship.net

Virgin Islands

Virgin Islands Department of Education
Phone: 340-774-0100
Web site: www.doe.vi

Other Federal Student Aid Publications

You can find these and other publications at
www.FederalStudentAid.ed.gov/pubs

College Preparation Checklist

A foundational publication for students (elementary, junior/high school, adult) considering college. This small booklet explains how to prepare academically and financially for college through "to do" lists aimed at students and parents. Simply worded information about federal aid, *FAFSA4caster*SM, what to do at FAFSASM filing time, and looking for scholarships also is included. Readers are directed to publications and Web sites for more detailed discussions of the topics in the checklist.

Funding Education Beyond High School: Audio Highlights

This resource for the visually impaired describes our federal student aid programs and is available in CD and online.

Completing the FAFSASM

This online resource contains detailed instructions for completing the *Free Application for Federal Student Aid* (FAFSASM).

Save Your Money, Save Your Identity

Information on how financial aid applicants can avoid fraud and identity theft.

Your Federal Student Loans:

Learn the Basics and Manage Your Debt

This booklet covers what you should consider when you're planning on borrowing money to pay for your education, such as, what types of federal student loans are available, how much to borrow, tips on repaying your loan successfully, the difference between private and federal student loans, the consequences of default, and other helpful hints on how to manage your debt.

FAFSA4casterSM ***Hall Pass***

Information on *FAFSA4caster*SM to help you get an early start on the financial aid process.

Stafford Loan Forgiveness Program for Teachers

Describes the eligibility criteria for having a Stafford Loan forgiven for service as a teacher.

Federal Aid First

This brochure explains the differences between federal and private education loans.



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