

FINANCIAL AID PROCESS

1. Student applies for admission to the college.
2. Student applies for financial aid.
 - a. Find out if any of your prospective colleges require the Profile (the CSS Profile) and file that if necessary. That can be filed during the fall of senior year.
 - b. File the FAFSA (Free Application for Federal Student Aid)- Get your PIN number at any time. File the FAFSA as soon after January 1 as possible. Most colleges require this to be filed by February 15. It does not matter if the student has not yet finalized their college choice. Unless you can get your taxes done immediately after January 1, do not wait until your taxes are finalized. Estimate on the FAFSA and then amend later, once your taxes are done.
 - c. If you have extenuating or extraordinary circumstances, write a letter directly to the school's financial aid office.
 - d. Pursue other sources (the school itself, outside scholarships, etc.)
3. The admissions committee makes an admission decision.
4. The financial aid office reviews accepted applicants' financial aid application to determine if need exists and how much aid should be offered.
5. Financial aid award letters are sent, sometimes with the acceptance letter.
6. Student responds to both the offer of admission and the financial aid offer.
- 7.

TYPES OF FINANCIAL AID:

Broad Categories:

- Need based- based on the financial need of applicant
- Merit based- based on the academic success of applicant

General Types:

- Grants and Scholarships (Gift Aid)- Money given that does not need to be repaid. The source can be the federal or state government, private sources or the college itself. Can be need based, merit based or as a result of a connection to the granting organization.
- Loans- Any money received that must be repaid, usually with interest. In most cases student loans are available at relatively low interest rates and repayment can be deferred until a few months after graduation or after ceasing to be at least a half-time student. Loans are available for parents and students.
- Jobs- On or off campus. Work-study may be part of a financial aid award package. Money earned through work-study does not count as income for FAFSA purposes, unlike money earned outside of the work-study program.

FEDERAL FINANCIAL AID PROGRAMS
(Details change- check the Internet for current information)

GRANTS:

- Federal Pell Grant- Grants awarded to students demonstrating high financial need. Does not need to be repaid. Limited to students pursuing their first undergraduate degree.
- Federal Supplemental Educational Opportunity Grant (FSEOG)- Grants designed for undergraduate students with exceptional financial need. Priority is given to Pell Grant recipients with the lowest expected family contribution. Awards range from \$100 to \$4,000.
- Academic Competitiveness Grant- A new grant program for Pell eligible students who are in their 1st or 2nd year of college and who have completed a rigorous high school program of study. Amounts are up to \$750 for the first year of study and \$1,300 for the second year of study.
- SMART Grant- The National Science and Mathematics Access to Retain Talent Grant. A new grant program for Pell eligible students. Student must be in their 3rd or 4th year of undergraduate study and majoring in computer science, engineering, certain life sciences, physical sciences, mathematics or a select group of foreign languages (deemed crucial to national security). Eligible students can receive up to \$4,000 per year.

LOANS:

- Stafford Loans- A low interest Federal loan program with a fixed interest rate. Principle is deferred while the student is in school and for six months following that. The amount that can be borrowed increases each year throughout college and has a lifetime cap.
 - Subsidized Stafford Loan- Based on need. The government pays the interest on the loan while the student is in college and during the 6-month grace period.
 - Unsubsidized Stafford Loan- Awarded regardless of financial need. The student is responsible for the interest from the point the loan is disbursed. The interest can be paid as it accrues or can be added to the loan principle and paid later.
- PLUS Loans- Designed for parents of dependent students and for graduate/professional students. Fixed interest rate. Repayment begins 60 days after the last date of disbursement. Applicants may borrow up to the full cost of education less other aid given.
- Perkins Loan- Low interest loans for students with exceptional financial need, as determined by a college's financial aid office. Undergraduate students may be eligible for up to \$4,000 annually. Fixed interest rate. Payments deferred until several months after leaving school.

WORK STUDY: Campus jobs that are partially subsidized by the federal government. Work hours are flexible, can sometimes include community service activities and income earned is excluded as a resource when determining your FAFSA status in future years.

GENERAL ELIGIBILITY GUIDELINES FOR FEDERAL FINANCIAL AID

To be eligible to receive student financial aid administered by the U.S. Department of Education (i.e., all of the Federal student loan programs), a student must meet all the following criteria:

- Be a U.S. citizen or eligible non-citizen with a valid Social Security number.
- Be enrolled or accepted for enrollment at an eligible institution in an eligible program of study and not be simultaneously enrolled in elementary or secondary school.

- Have a high school diploma or its equivalent, or pass an approved “Ability-to-Benefit” test.
- If required, comply with the Selective Service registration.
- Not have had Federal benefits suspended or terminated as a result of a drug offense conviction. Please see FAFSA website for more clarification.
- Maintain satisfactory academic progress.
- Not be in default on a Federal educational loan or owe a refund on a Federal educational grant and not have borrowed in excess of Federal loan limits.

NON-FEDERAL FINANCIAL AID

Institutional scholarships and grants from the college- Grants are often need based and scholarships are often merit based (academic or other). While it is wise to ask the school what might be available, most of these are not things you can apply for. The college approaches you, after looking at your application, and either extends the offer to you or invites you to apply. These scholarships and grants are usually renewable from year to year as long as certain contingencies are met (typically related to GPA or progress toward a degree).

Institutional loans- Non-federal loans administered by the college, usually at low interest rates. Contact the college for types, criteria, terms and conditions.

Work- Most colleges hire students for a number of jobs outside of the Federal work-study program and many colleges have employment postings from local businesses and individuals.

Private Loans- These are available through commercial lenders. They usually have higher interest rates than the Federal programs and are often only available to parents and not the students themselves.

