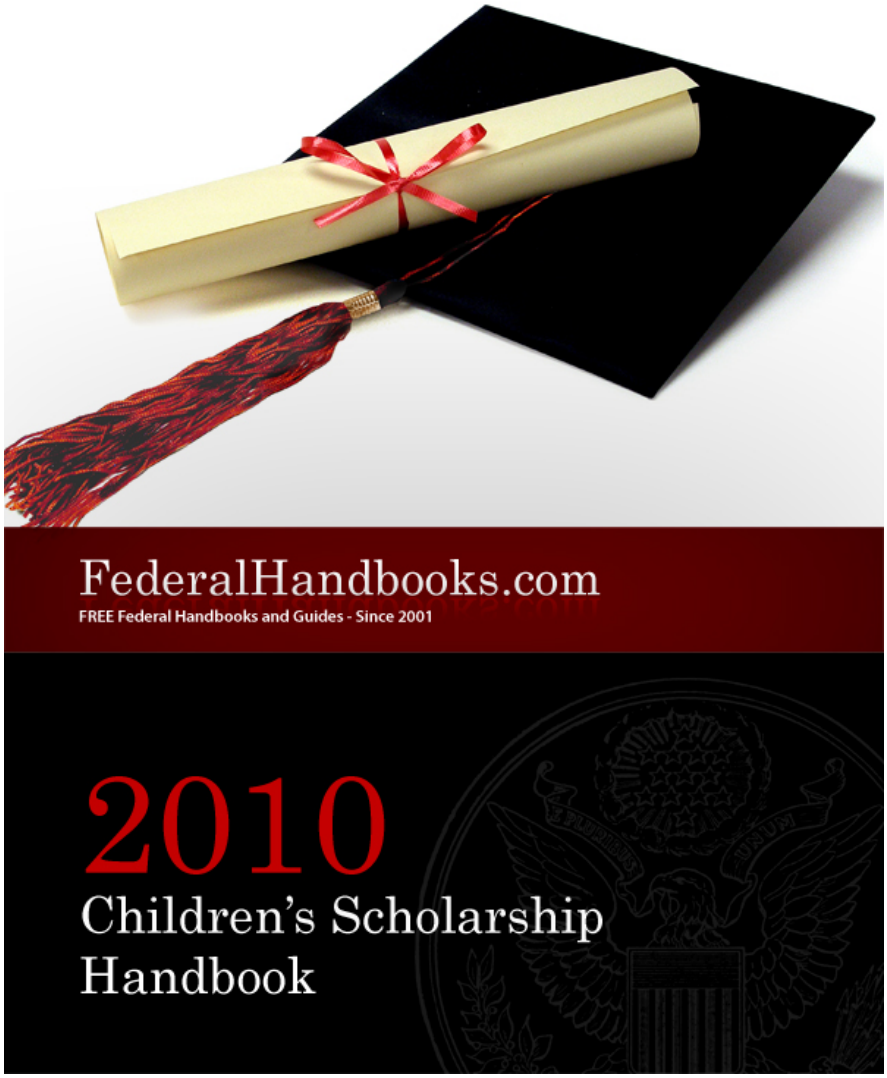


2010 Federal Children's Scholarship Handbook

Published by Federal Handbooks – FREE Federal Handbooks Since 2001

Copyright © 2010. Federal Handbooks, 7200 NW 86th Street, Kansas City, MO 64153. Federal Handbooks website: http://www.federalhandbooks.com. All rights reserved. No part of this book may be reproduced in any form or by any means without prior written permission from the Publisher. Printed in the U.S.A.

"This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the publisher is not engaged in rendering legal, accounting or other professional service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought." – *From a Declaration of Principles jointly adopted by a committee of the American Bar Association and a committee of publishers and associations.*

Go to http://www.federalhandbooks.com to sign up for your FREE Federal Handbooks today!

Contents

Introduction 4
College is an investment 4
College Preparation Checklist 5
1. Education After High School – The Basics 7
Questions to ask when considering college 7
Types of Higher education 7
Entrance Exams 8
2. Taking the First Step 9
Information you should get from a school 9
3. 34 ways to reduce college costs 11
4. Looking for student aid 14
5. Free student aid information and sources 17
6. How to find scholarships 19
7. Information for borrowers 22
8. Federal Student Aid 24
Who can get federal student aid? 24
What about the financial need requirement? 24
How much aid can you get? 24
Special circumstances in determining financial need 25
9. Applying for Federal Student Aid 26
How do you apply? 26
Can you apply online? 26
What if you decide you want a paper application? 26
When do you apply? 26
What do you need before you fill out the Free Application for Federal Student Aid (FAFSA)? ... 26
What if you need help filling out your application? 27
How can you find out the status of your application after you submit it? 28
How do the schools you're interested in get your FAFSA information? 28
10. Dependency Status 29
11. The Student Aid Report (SAR) 31
What do you do with your SAR? 31
How do I find out if you're eligible and what will you receive? 31
12. Types of Federal Student Aid 32
Grants 32
How much can you get? 32
What's the difference between these grants? 32
How will you be paid? 33
Federal Work-Study 33
How much can you make? 33
Can you work as many hours as you want? 33
Where are the jobs located? 33
Loans 33
What are the differences in these loan programs? 34
Loan Comparison Chart 34
How do you apply for a Perkins or Stafford Loan? 35
How much money can you get? 35
How will you get my loan funds? 36
Other than interest, is there any charge to get these loans? 37
So, when do you start repaying the loans? 37

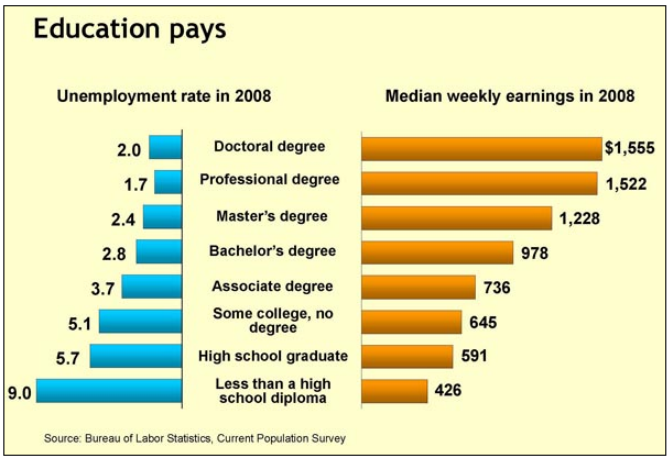
How much time do I have to repay? 37
What if you have trouble repaying your loan? 37
What is default? 38
Are there any situations where your loan could be canceled? 38
PLUS Loans (Parent Loans) 38
What are PLUS Loans? 38
How do your parents get a loan? 38
Do your parents get the money or do you? 39
When do your parents begin repaying the loan? 39
13. Loan Repayment 40
14. Deferment and Forbearance 43
15. Loan Discharge 44
16. Loan Consolidation 45
17. U.S. Armed Forces 47
Military Options 47
ROTC 47
18. State Higher Education Agencies 49
19. Important terms 63

Introduction

College is an investment

A college education is a big investment of time, money, and effort. And the hardest part of the equation is often figuring out how to pay for it – without putting yourself (or your parents) in the poor house. This Federal Handbook was published to help you put the pieces of the puzzle together – and to help you find the funding you need to pursue your goals for college – and beyond.

As young men and women seem to grow-up faster and faster every year, there is a great temptation to move from high school directly to the workplace. Indeed, it's hard to stay in school if you think you need to be working to earn money. But college really is an investment that pays great dividends – for the rest of your life. College gives you a wider variety of jobs to choose from, and – most importantly – you'll earn significantly more money over your lifetime with a college degree in hand. Just check out the earnings for people with different levels of education and the correlation with the unemployment rate. Verified on 02/01/2010



The old tagline was that "college isn't for everyone." But that's no longer true. Whether you want to go full-time, part-time, days or nights, or even get your degree from an "online" university – you can make it happen. And you can study a greater breadth of courses, topics and majors than ever before. This is truly an extraordinary time for those seeking a college degree.

We hope that you find this Federal Handbook helpful and we wish you the best of luck in your pursuit of your college degree. And remember to study hard, work hard, and most importantly – enjoy your future.

– The Federal Handbooks Staff

College Preparation Checklist

Pre-High School

- Take challenging classes in English, mathematics, science, history, geography, the arts, and a foreign language.
- Develop strong study skills.
- Start thinking about which high school classes will best prepare you for college.
- If you have an opportunity to choose among high schools, or among different programs within one high school, investigate the options and determine which ones will help you –
    - Further your academic and career interests
    - Open doors to many future options
- Start saving for college if you haven't already. Investigate different ways to save:
    - Buy a U.S. Savings Bond
    - Open a savings account in a bank
    - Invest in mutual funds

High School: 9th Grade

- Take challenging classes in English, mathematics, science, history, geography, a foreign language, government, civics, economics, and the arts.
- Get to know your career counselor or guidance counselor and other college resources available in your school.
- Talk to adults in a variety of professions to determine what they like and dislike about their jobs and what kind of education is needed for each kind of job.
- Continue to save for college.

High School: 10th Grade

- Take challenging classes in English, mathematics, science, history, geography, a foreign language, government, civics, economics, and the arts.
- Talk to adults in a variety of professions to determine what they like and dislike about their jobs and what kind of education is needed for each kind of job.
- Become involved in school- or community-based extracurricular (before or after school) activities that interest you and/or enable you to explore career interests.
- Meet with your career counselor or guidance counselor to discuss colleges and their requirements.
- Take the Preliminary SAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT). You must register early. If you have difficulty paying the registration fee, see your guidance counselor about getting a fee waiver.
- Take advantage of opportunities to visit colleges and talk to students.
- Continue to save for college.

High School: 11th Grade

- Take challenging classes in English, mathematics, science, history, geography, a foreign language, government, civics, economics and the arts.
- Meet with your career or guidance counselor to discuss colleges and their requirements.
- Continue involvement in school- or community-based extracurricular activities.
- Decide which colleges most interest you. Contact them to request information and an application for admission. Ask about special admissions requirements, financial aid and deadlines.
- Talk to college representatives at college fairs.
- Visit colleges and talk to students.

- Consider people to ask for recommendations – teachers, counselors, employers, etc.
- Investigate the availability of financial aid from federal, state, local, and private sources. Talk to your guidance counselor for more information.
- Find out more about the domestic Peace Corps, called AmeriCorps, by calling 1-800-942-2677 (TTY 1-800-833-3722), or visiting www.americorps.org.
- Investigate the availability of scholarships provided by organizations such as corporations, labor unions, professional associations, religious organizations, and credit unions.
- If applicable, go to the library and look for directories of scholarships for women, minorities, and disabled students.
- Register for and take the SAT I, the ACT, SAT II Subject Tests or any other exams required for admission to the colleges you might want to attend. If you have difficulty paying the registration fee, see your guidance counselor about getting a fee waiver.
- Continue to save for college.

High School: 12th Grade

- Take challenging classes in English, mathematics, science, history, geography, a foreign language, government, civics, economics, the arts, and advanced technologies.
- Meet with your counselor early in the year to discuss your plans.
- Complete all necessary financial aid forms, especially the Free Application for Federal Student Aid (FAFSA). Apply online at: www.fafsa.ed.gov
- Write colleges to request information and applications for admission. Ask about financial aid, admissions requirements, and deadlines.
- If possible, visit the colleges that most interest you.
- Register for and take the SAT I, ACT Assessment, SAT II Subject Tests or any other exams required for admission to the colleges to which you are applying. If you have difficulty paying the registration fee, see your guidance counselor about getting a fee waiver.
- Prepare your application carefully. Follow the instructions, and PAY CLOSE ATTENTION TO DEADLINES! Be sure to ask your counselor and teachers at least two weeks before your application deadlines to submit the necessary documents to colleges (your transcript, letters of recommendation, etc.)

1

Education After High School – The Basics

Questions to ask when considering a college:

1. Does the school offer the program and courses that I'm interested in?
2. Do I meet the admissions requirements?
3. Does the school offer a quality education at a reasonable price?
4. Does the school offer the services I need and activities I'm interested in?
5. What are the job placement rates for students who have recently graduated?
6. What is the school's accreditation, licensing?
7. What is the student loan default rate?
8. What type of security does the school have and is a copy of the most recent campus security report available?
9. What type of financial aid is available from the school? Federal, state, local, private and institutional financial aid programs?
    a. How does the school determine my financial aid need?
    b. How are financial aid recipients selected?
    c. When will I receive any financial aid that I'm awarded?
10. What is the percentage of a graduating class that completes the school's program and the percentage of those students who transfer out of the school?
11. What is the size of the student body?
12. What is the demographic breakdown of the most recent class to be admitted?
13. What are the graduation rates?

Types of Higher Education

There are many types of institutions that offer higher education. You will need to determine which type of school is best for you:

- Liberal Arts Colleges: focus on the humanities, social sciences and sciences
- Universities: typically offer a greater number of majors and extensive research facilities - Community or Junior Colleges: Usually involve 2 years of full-time study for technical programs
- Agricultural, Technical or Specialized Colleges: Usually prepare you for a specific career choice in art/music, business, health science, teaching.

You will also need to decide if you want to go to public school or private school. Public schools typically get most of their funding from the state or local government while private institutions rely on endowments, tuitions and private contributions.

Resources for finding the right college:

- College fairs
- High school guidance office
- Online college fairs/Internet
- Public Library

Entrance Exams

PSAT

The PSAT is a practice exam for the SAT that students usually take during their junior year of high school.

SAT

The SAT is a three-hour test that measures verbal and math skills. The scores that you receive on this test supplement your high school transcript for admissions requirements. While you can take the test more than once it is typically the highest score that you receive that the college admissions office takes into consideration.

Your score is made up of results from the 3 sections to the verbal test and these sections measure your ability to understand and analyze what you read, recognize relationships in a sentence and establish relationships between words. There are also 3 sections to the math test and these sections involve problem solving with arithmetic, algebra and geometry.

Subject Tests

Depending on the admissions requirements of the schools that you are applying for you may be required to take subject tests. These are one-hour tests in specific subject areas. A college admissions office will use these results to determine your preparedness for different college programs, place you in your first year course work and to help you make course selections. There are five subject areas that can be tested for: English, history & social studies, mathematics, science and languages.

Financial Aid Resources

- College financial aid office
- High school guidance counselor
- U.S. Department of Education
- Federal agencies including the military
- State education agency
- Library
- Internet
- Community organizations
- Parent's employer
- Scholarship search services

Scholarship Resources

- Religious organizations
- Civic/community organizations
- Search the internet for scholarship leads
- Check with your local library for a list of available scholarships
- High school guidance counselor/college planning office

Paying for College – Financial Aid

There are two types of financial aid available: grants or scholarships and loans. Grants and scholarships do not have to be repaid, loans do have to be repaid.

2

Taking the First Step

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.

Information you should get from a school

Ask about the school's accreditation, licensing, student loan default rate, and campus security.

- Talk to high school counselors, local employers, and your state higher education agency. You can also 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. You can search for Better Business Bureau offices at www.bbb.org.
- Find out the school's loan default rate (the percentage of students who attended the school, took out federal student loans, and later failed to repay their loans on time). You might not be able to get aid from some 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 available at or before the time you apply for admission to the school. Also, check with local employers to see whether they have hired graduates from the school.

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 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 and the type and amount of assistance in your financial aid package;
- The method and timing of aid payments 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 financial aid depends, in part, on whether you make satisfactory academic progress); and
- If you're offered a Federal Work-Study job, the nature of the job, the hours you must work, your duties, the pay, and the method and timing of payment to you.

Find out about 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 part of your money back.

Find out about 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 returned 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, less any amount 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 disclose to current and prospective students the percentage of its students who complete the school's programs and the percentage of students who transfer out of the school.

Make sure you get the information you need and check out all your options as you prepare for education after high school—and don't wait until the last minute to get started! Know what to expect from the schools you're considering and submit your Free Application for Federal Student Aid (FAFSA) early in the award year to see if you qualify for federal student aid.

3

34 Ways to Reduce College Costs

1. Most colleges and universities offer merit or non-need-based scholarships to academically talented students. Students should check with each school in which they're interested for the criteria for merit scholarships.

2. The National Merit Scholarship Program awards scholarships to students based upon academic merit. The awards can be applied to any college or university to meet educational expenses at that school.

3. Many states offer scholarship assistance to academically talented students. Students should obtain the eligibility criteria from their state's education office.

4. Many schools offer scholarships to athletically talented students. Parents and students should be careful, however, to weigh the benefits of an athletic scholarship against the demands of this type of award.

5. Some colleges and universities offer special grants or scholarships to students with particular talents. Music, journalism, and drama are a few categories for which these awards are made.

6. A state college or university charges lower fees to state residents. Since public institutions are subsidized by state revenues, their tuition costs are lower than private schools' costs. The college selection process should include consideration of a state school. Although cost should be a consideration, students should not base their choice of a school only on cost.

7. Some students choose to attend a community college for 1 or 2 years, and then transfer to a 4-year school. Tuition costs are substantially lower at community colleges than at 4-year institutions.

8. Some parents may be financially able to purchase a house while their child is in school. If other students rent rooms in the house, the income may offset monthly mortgage payments. Families should make certain, however, that the property they purchase meets all of the requirements of rental property. If you have any questions, consult a tax professional.

9. Commuting is another way for students to reduce college costs. A student living at home can save as much as $6,000 per year.

10. Many schools provide lists of housing opportunities that provide free room and board to students in exchange for a certain number of hours of work each week.

11. Cooperative education programs allow students to alternate between working full time and studying full time. This type of employment program is not based upon financial need, and students can earn as much as $7,000 per year.

12. Another way to reduce college costs is to take fewer credits. Students should find out their school's policy regarding the Advanced Placement Program (APP), the College-Level Examination Program (CLEP), and the Provenience Examination Program (PEP). Under these programs, a student takes an examination in a particular subject and, if the score is high enough, receives college credit.

13. Some colleges give credit for life experiences, thereby reducing the number of credits needed for graduation. Students should check with the college for further information. You can also write to: Distance Education and Training Council at 1601 18th(eighteenth) Street, NW, Washington, DC 20009, or call (202) 234-5100.

14. Most schools charge one price for a specific number of credits taken in a semester. If academically possible, students should take the maximum number of credits allowed. This strategy reduces the amount of time needed to graduate.

15. In many cases, summer college courses can be taken at a less expensive school and the credits transferred to the full-time school. Students should check with their academic advisor, however, to be certain that any course taken at another school is transferable.

16. Most schools have placement offices that help students find employment, and all schools have personnel offices that hire students to work on campus. These employment programs are not based upon financial need, and working is an excellent way to meet college expenses.

17. Most colleges and universities offer their employees a tuition reduction plan or tuition waiver program. Under this type of arrangement, the school employee and family members can attend classes at a reduced cost or no cost at all. This type of program is based not upon financial need, but rather on college employment.

18. Most colleges and universities sponsor resident advisor programs that offer financial assistance to students in the form of reduced tuition or reduced room and board costs in exchange for work in resident halls.

19. The Reserve Officers Training Corps (ROTC) Scholarship Program pays all tuition fees, and textbook costs, as well as providing a monthly living stipend. Students should be certain, however, that they want this type of program before signing up because there is a service commitment after graduation.

20. Service Academy Scholarships are offered each year to qualified students to attend the U.S. Military Academy, the U.S. Air Force Academy, the U.S. Naval Academy, the U.S. Merchant Marine Academy, or the U.S. Coast Guard Academy. The scholarships are competitive and are based upon a number of factors, including high school grades, SAT or ACT scores, leadership qualities, and athletic ability. Students receive their undergraduate education at one of the service academies. They pay no tuition or fees, but there is a service commitment after graduation.

21. One of the most obvious ways of reducing college costs is to attend a low-cost school, either public or private. There are many colleges and universities with affordable tuition and generous financial assistance. Students should investigate all schools that meet their academic and financial needs.

22. Some schools offer combined degree programs or 3-year programs that allow students to take all of the courses needed for graduation in 3 years, instead of 4, thereby eliminating 1 year's educational expenses.

23. Partial tuition remission for the children of alumni is a common practice. Parents and students should investigate their alma mater's tuition discount policy for graduates.

24. Some colleges and universities offer special discounts if more than one child from the same family is enrolled.

25. Some colleges and universities offer discounts to enrolled students if they recruit another student.

26. Some schools offer a tuition discount to student government leaders or to the editors of college newspapers or yearbooks.

27. Some colleges offer bargain tuition rates to older students.

28. Some colleges and universities convert non-federal school loans into non-federal grants if the student remains in school and graduates.

29. Some schools will pay a student's loan origination fees.

30. Some schools offer reduced tuition rates to families if the major wage earner is unemployed.

31. Some colleges and universities have special funds set aside for families who do not qualify for federal or state funding.

32. Some private colleges will match the tuition of out-of-state institutions for certain students. Check with your college to determine whether you qualify for this option.

33. Some companies offer tuition assistance to the children of employees. Parents and students should check with the personnel office for information.

34. Students should try to buy used textbooks.

4

Looking for Student Aid

The largest source of student aid in the United States comes from the Federal Student Aid (FSA) programs. These programs provide more than $100 billion a year in grants, loans and work-study assistance (more on these programs later in this publication). Reviewed on 02/01/2010

When looking for student aid, make sure you look at all available sources including Federal and State.

Should you pay someone to help you find or apply for student financial aid?

The quick answer is: Free help is available, whether you're looking for sources of student aid or completing the Free Application for Federal Student Aid (FAFSA). If there's a fee involved, be sure you know what you're paying for.

Where can you get free information about student aid?

The following sources usually have information about aid from the federal government and your state government; most can tell you about funds from your local community and private sources as well.

- A college or career school financial aid office. Talk to the financial aid administrator at the school you plan to attend. Be sure to ask about "institutional aid" – money the school itself awards students. The school's catalog or Web site is also a good source of information about aid available at the school.

- A local or college library. Relevant materials are usually listed under "student aid" or "financial aid." If you need help, ask the reference librarian.

- The Internet. Search using the key words "student aid" or "financial aid." Remember that many scams operate over the Internet, so if an Internet service charges a fee, research it carefully. Better yet, use one of the many free Internet search services or aid information sites including www.studentaid.ed.gov

- A high school counselor's office. Many counselors have a large selection of materials, know what recent graduates have received, and can guide you to free online information.

The major source of student financial aid is the U.S. Department of Education. Nearly 70% of the student aid that is awarded each year comes from the U.S. Department of Education's programs (approximately $83 billion in 2007-08). The Department's aid includes grants, loans, and work-study. Verified on 02/01/2010

Free materials available in the financial aid office at your college or career school or the guidance office at your high school include the Free Application for Federal Student Aid (FAFSA).

Federal Student Aid Information Center (FSAIC):
1-800-4-FED-AID (1-800-433-3243)
(TTY 1-800-730-8913)

Most federal student aid is awarded based on financial need rather than scholastic achievement. For instance, most grants are targeted to low-income students. However, you do not have to show financial need to receive certain federal student loans.

You may apply for federal student aid at no cost by filing a paper FAFSA or applying electronically with FAFSA on the Web, the online application for federal student aid. All you need for FAFSA on the Web is a computer that supports a Department-approved browser. FAFSA on the Web is at www.fafsa.ed.gov.

Who else awards aid to students

Student aid may also be available from foundations, community organizations, and organizations related to your field of interest (for example, the American Medical Association or American Bar Association). Contact the organizations directly for detailed information. Check with your parents' employers to see whether they award scholarships or have tuition payment plans. Although funds from these sources make up a small percentage of the total aid awarded each year, it's worth doing the research – you never know what you might find.

Checklist of Free Resources of Student Financial Aid Information:

- the financial aid office at your college or career school
- a high school counselor
- the U.S. Department of Education
- other federal agencies (including the military, if appropriate)
- your state education agency
- the reference section of your school or public library
- the Internet
- foundations, religious organizations, community organizations, local businesses, and civic groups
- organizations (including professional associations) related to your field of interest
- ethnicity-based organizations
- your employer or your parents' employers
- free scholarship search services

Scholarship Search Services

A number of privately operated scholarship search services charge fees that can range from $50 to well over $1000. It is important to understand what information scholarship search services can provide. Some can be helpful in identifying sources of aid for students who meet certain criteria, such as academic achievement, religious affiliation, ethnic or racial heritage, artistic talents, athletic ability, career plans, or proposed field of study. *However, bear in mind that funds from these sources are usually limited and not all applicants will receive awards.*

Listed below are some of the services you might reasonably expect from a private scholarship search service:

- Most scholarship search services provide a list of sources of financial assistance you may apply for. After studying the list, you then send a separate application to each source that interests you. The scholarship search service does not apply on your behalf or pay any additional application fees that may be required.

- Many search services offer to refund your fee if you do not receive any award. However, some services require you to provide a rejection letter from every source on the list to claim your refund. You should be aware that many scholarship sources do not routinely send rejection letters. Make sure you get the scholarship search service's refund policy in writing before paying any money.

What are some questionable tactics you should watch out for?

- Some services will tell you that millions of dollars in student aid go unclaimed every year. The large figures you may hear or read about usually represent an estimated national total of employee benefits or member benefits. Usually, such benefits are available only to the employees (and their families) of a specific company, or to the members of a specific union or other organization.

- Some claim that you can't get the same information anywhere else. Many services make you pay to get information you could have received for free from a college financial aid office, state education agency, local

library, the U.S. Department of Education, or the Internet. Remember that you can find out about student aid without paying a fee to a search service.

- Others request your credit card or bank account number to hold student financial aid for you. Search services do not, in most cases, provide any awards directly to applicants, apply on behalf of applicants, or act as a disbursing agent for financial aid providers. You should never give out a credit card or bank account number unless you know the company or organization you are giving it to is legitimate.

- Others try to get you to send them money by claiming that you are a finalist in a scholarship contest. Most sources of financial aid have application deadlines and eligibility criteria; they do not, generally, operate like a sweepstakes.

- Scholarship seminars frequently end with one-on-one meetings in which a salesperson pressures the student to "buy now or lose out on this opportunity." Legitimate services don't use such pressure tactics.

Each year, the U.S. Department of Education receives numerous complaints from students and parents who did not receive the information they expected from a search service. The Department does not evaluate private scholarship search services. If you decide to use one of these services, you should check its reputation by contacting the Better Business Bureau (www.bbb.com), a school guidance counselor, or a state attorney general's office.

Additionally, investigate the organization yourself before making a commitment:

- Ask for names of three or four local families who have used its services recently.
- Ask how many students have used the service and how many of them received scholarships as a result.
- Find out about the service's refund policy.
- Get everything in writing.
- Read all the fine print before signing anything.

The Scholarship Fraud Prevention Act created a fraud-awareness partnership between the U.S. Department of Education and the Federal Trade Commission (FTC). For more information about scholarship scams or to report a scam, call the FTC toll free at 1-877-FTC-HELP (1-877-382-4357) or go to www.ftc.gov/scholarshipscams

Most of the information private scholarship search services provide can be obtained for free elsewhere. Before you pay any company or organization to find student financial aid for you, make sure you're not paying for free information. Also make sure you know what you're getting for your money. Searching for student aid on your own can prevent you from wasting your money. You just need to know where to look.

5

Free Student Aid Information and Sources

Check out these other great resources for federal or non-federal student aid:

- Financial Aid Administrator
  Talk to the aid administrator (or his or her staff) at each school you're interested in to find out about the school's aid programs and total cost of attendance.

- State Higher Education Agency
  This agency in your home state can give you information about state aid—including aid from the Leveraging Educational Assistance Partnership (LEAP) Program, funded jointly by states and by us.

- Public Libraries/Internet
  These are excellent sources of information on state and private forms of aid. When using either source, search using keywords like "financial aid," "student aid," "scholarships," etc.

- AmeriCorps
  This program provide provides full-time educational awards in return for work in community service. 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, call 1-800-942-2677. The TTY number is 1-800-833-3722. Information is also available at www.americorps.org.

- Robert C. Byrd Honors Scholarship Program (Byrd Program)
  To receive aid, you must demonstrate outstanding academic achievement and show promise of continued academic excellence. For more information, call our toll-free number: 1-800-4-FED-AID (1-800-433-3243) or visit www.ed.gov/programs/iduesbyrd/index.html.

- Companies and Labor Unions
  Check with your parents' places of work. They might have programs to help pay the cost of postsecondary education for employees and their children.

- Organizations, Foundations, Etc.
  Foundations, religious organizations, fraternities or sororities, and town or city clubs often offer financial assistance. 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 be helpful—for example, the American Medical Association and the American Bar Association are good sources for students seeking specialization in those fields.

- U.S. Armed Forces
  The Armed Forces also offer financial aid opportunities. For more information on recruitment incentives, visit the U.S. Department of Defense Defenselink Web site at www.todaysmilitary.com. Click on "What You Get" at the top of the site. Then go to "College Help." You can also contact your local recruiter.

- U.S. Department of Veterans Affairs
  If you (or your spouse) are a veteran or you're the dependent of a veteran, veterans' educational benefits may be available. Information is also available through the Internet at www.gibill.va.gov or call 1-888-GIBILL-1 (1-888-442-4551).

- Internal Revenue Service (IRS)
  The IRS offers two federal income tax credits (dollar-for-dollar reductions in tax liability) for higher education expenses.

  - The Hope tax credit, worth up to $1,800 per student, is available for first- and second-year students enrolled at least half time. Updated on 02/01/2010
  - The Lifetime Learning tax credit is a tax benefit equal to 20 percent of a family's tuition expenses, up to $10,000. The credit can be used for virtually any postsecondary education and training, including graduate and professional schools, and even for less-than-half-time study

  For more information on the Hope and Lifetime Learning tax credits, and other tax benefits for postsecondary students, go to www.irs.gov. IRS Publication 970, Tax Benefits for Higher Education, which explains these credits and other tax benefits, is available online. Or, call the IRS at 1-800-829-1040. TTY callers can call 1-800-829-4059.

6

How to Find Scholarships

Hit the books.

Doing research can help you find scholarships you may not have otherwise known about. Most public and campus libraries carry scholarship guides. Ask your librarian or guidance counselor for help. Also look under "financial aid," "student aid," and "scholarships."

Check with the colleges you're applying to.

Most college-sponsored scholarships don't require additional applications beyond their standard admission and financial aid applications. Just be sure to complete and file the applications on time!

Some colleges offer special scholarships (for certain major fields or for certain talents) that you can apply for in addition to any that are open to all applicants.

Ask employers.

Your parents might already be aware if scholarships are provided for children of employees. If not, the human resource department is usually the place to check to find out what is available. The staff there should be able to provide applications, deadlines, and any other information you'll need.

If you are employed, check with your employer to see if scholarships are available. Be sure to get any application forms and information about deadlines and complete the process on time.

Check local scholarships.

Many community organizations, churches, and clubs offer scholarships. Your high school guidance counselor should be able to provide information about most of them, and can refer you to sponsors who can provide applications and information.

Search the Net.

Using keywords like those mentioned earlier, you can find a wealth of free scholarship information on the World Wide Web. Some sites even allow you to apply online for scholarships. But, be careful . . .

General Scholarship Information

The term "scholarship" can have many meanings. At its most basic, a scholarship is money for college that you will not be expected to repay. Scholarships are worth seeking!

Scholarships sponsored by colleges are often designated for students who fit a particular profile (from the college's home state, holding a specified grade average, enrolling in a particular major, or bringing special talent in athletics, music, and the like).

Other outside scholarships may be available to students whose parents work for a particular company or to students who are eligible for scholarships sponsored by church or civic organizations.

You will need to check with each college to see what scholarships are available. You should also become familiar with any scholarships available through your company or community.

What Does It Take to Get a Scholarship?

Many students assume that they have to be brilliant, or athletically talented, or gifted musically, to earn a scholarship for college. What they don't realize is that sometimes they just need to be persistent!

Be persistent in getting good grades. Many colleges award scholarships to students with significant financial need in the accepted applicant group — a grant that you don't need to repay, just for making the cut and getting admitted!

Good grades won't hurt if you hope to get a scholarship even if your family doesn't demonstrate financial need. When scholarships are awarded on the basis of academic merit, without regard for need, students who have worked hard and achieved results in high school will be the winners.

You should also be persistent in seeking out other scholarship sources. Sometimes all it takes to get a scholarship is to find out who in your area is offering them: your church, your employer, your parents' employers, local civic organizations. You'll just need to fill out any required applications or interviews on time in order to be considered.

How Do You Apply for a Scholarship?

The most important thing to do to apply for scholarships is to get accurate information up front:

- What are the qualifications for applicants?
- Where do you get forms and how do you apply (online, by mail, etc.)?
- Are additional interviews or references required?
- What are the deadlines?

Once you have the information in hand, you can make a chart of what's due and when (use the Scholarship Checklist below) follow through. Taking small steps throughout the process will help ensure you will meet all the requirements on time. Then, you get to sit back while the sponsors make their decisions.

Remember, most scholarship funding comes directly from the colleges themselves, so focus on making your college applications as strong as possible.

Scholarship Checklist

<u>Institutional Scholarships</u>

- Special application forms required?
- Interview required?
- Application deadline?

<u>Special Talent Scholarships</u>

- Art, Music, Theater
    - Special application forms required?
    - Interview, audition, or portfolio required?
    - Application deadline?
- Athletics
    - Special application forms required?
    - Interview, highlight tape required?
    - Application deadline?
- Leadership

    - Special application forms required?
    - Interview required?
    - Application deadline?
- Science/Engineering
    - Special application forms required?
    - Interview required?
    - Application deadline?
- Other_____
    - Special application forms required?
    - Interview required?
    - Application deadline?

Employer-Sponsored Scholarships

- Parents' Employer(s)
    - Special application forms required?
    - Interview required?
    - Application deadline?
- Student's Employer
    - Special application forms required?
    - Interview required?
    - Application deadline?

Local/Community Scholarships

- Organization_____
    - Special application forms required?
    - Interview required?
    - Application deadline?
- Organization_____
    - Special application forms required?
    - Interview required?
    - Application deadline?

7

Information for Borrowers

What You Must Do

When you take out a 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 loan. If you don't repay your loan on time or according to the terms in your promissory note, you might go into default, which has serious consequences and will affect your credit rating. You don't have to borrow the maximum amount you're allowed. Borrow only what you really need to pay for school.

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 except in cases of loan discharge (cancellation), you must repay the loan, even if you don't complete your education (unless you couldn't for a valid reason—because the school closed, for example). Also, you must repay your loan even if you can't get a job after you complete the program, or you don't like the education you paid for.

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, but you're obligated to make payments even if you don't receive any reminders. Also, you must make monthly payments in the full amount your repayment plan has established. Partial payments do not fulfill your obligation.

Continue to Pay While Waiting for Deferment, Forbearance or Discharge Approval.

If you apply for a deferment or forbearance or a loan discharge, you must continue to make payments until you're notified your request has been granted. If you don't, you might end up in default. You should keep a copy of any request form you submit, and make sure you document all contacts with the organization that holds your loan.

Keep in Touch with Your Loan Servicer.

You must notify your loan servicer when you graduate; withdraw from school; drop below half-time status; change your name, address, or Social Security number; or transfer to another school.

Receive Entrance and Exit Counseling.

For Direct or FFEL Stafford Loans, you must receive entrance counseling before you're given your first loan disbursement, unless you've previously received a Stafford Loan. No matter what type of federal student loan you have, you must receive exit counseling before you leave school. Your school will provide the counseling and important information about your loan. Your lender will give you additional information.

What You Must Know.

You have certain rights as a borrower. Listed below are some of them.

Before the First Loan Disbursement

Before your school makes your first loan disbursement, you must receive the following information about your loan from your school, lender, or the Direct Loan Servicing Center:

- the full amount of the loan and the 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 payment 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 loan(s) without penalty at any time.

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 interest rate, and the total interest charges on your loan;
- if you have FFEL (Federal) Stafford 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 Stafford Loans, the address and telephone number of the 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; and
- notification that you must provide your expected permanent address and the name and address of your expected employer. 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

You have the right to a grace period before your repayment period begins. (Your parents do not receive a grace period for a PLUS Loan.) Your grace period will be six or nine months depending on the type of loan you have.

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, for a PLUS Loan) must be notified when the loan is sold if the sale results in making payments to a new lender or agency. You must be given the identity of the new lender or agency holding the loan, the address to which you must make payments, and the telephone numbers of both the old and new lender or agency.

8

Federal Student Aid

Who can get federal student aid?

Eligibility for our programs is based on financial need and on several other factors. Your eligibility is determined by the information you provide on the Free Application for Federal Student Aid (FAFSA) — see later section in this guide.

Here are some of the basic requirements you must meet:

- Demonstrate financial need (except for certain loans — see below).
- Demonstrate by one of the following means that you're qualified to enroll in postsecondary education:
  - Have a high school diploma or a General Education Development (GED) Certificate;
  - Pass an approved ability-to-benefit (ATB) test (if you don't have a diploma or GED, a school can administer a test to determine whether you can benefit from the education offered at that school);
  - Meet other standards your state establishes that we have approved; or
  - Complete a high school education in a home school setting approved under state law.
- Be working toward a degree or certificate in an eligible program.
- Be a U.S. citizen or eligible noncitizen (such as a permanent resident).
- Maintain satisfactory academic progress once in school.

You might not be able to receive federal student aid if you've been convicted under federal or state law of selling or possessing illegal drugs. If you have a conviction for these offenses, contact the Federal Student Aid Information Center to find out your status. Even if you're ineligible for federal aid, you should still complete the federal student aid application (the FAFSA): Many schools and states use the FAFSA to determine eligibility for aid they offer.

If you have a question about your citizenship status, contact the financial aid office at the college or career school you plan to attend.

What about the financial need requirement?

Aid from most programs is awarded based on financial need (except for unsubsidized Stafford Loans and PLUS Loans). Your financial need is calculated according to a formula established by law. Most use an Expected Family Contribution (EFC) number when you need is determined. The EFC is a measure of your family's financial strength and is calculated from the information you report on the Free Application for Federal Student Aid (FAFSA). Your EFC will appear on your Student Aid Report (SAR) you receive. To be eligible for a Federal Pell Grant, your EFC must be below a certain number, which can vary from year to year.

To determine your financial need for other federal student aid programs (unless you receive an unsubsidized Stafford Loan), your school will subtract from your cost of attendance the following: the EFC, any Federal Pell Grant amount you're eligible for, and other financial aid you'll receive. If anything is left over, you're considered to have financial need for additional federal student aid.

How much aid you can get?

Because the Expected Family Contribution formula must be applied to each family's financial information, we can't tell you here whether you'll be eligible for federal student aid or estimate how much aid you might get. That's why you need to apply to find out. For more information about your eligibility status after you get your application results, contact the financial aid office(s) at the school(s) you're considering.

Special circumstances in determining financial need

In some cases, a school's financial aid administrator might adjust your cost of attendance or the information used to calculate your EFC to take into account special circumstances you might have. These circumstances could include your family's unusual medical expenses, tuition expenses, or unemployment. The aid administrator decides whether to make an adjustment, however; his or her decision is final and cannot be appealed.

Federal Student Aid Summary

The following is a summary of the U.S. Department of Education's Federal Student Aid (FSA) programs that will help you pay for school. Check with your school to find out which programs your school participates in. Verified on 02/01/2010

Federal Student Aid Program	Types of Aid	Program Details	Annual Award Amounts
Federal Pell Grant	Grant: does not have to be repaid	Available almost exclusively to undergraduates; all eligible students will receive the Federal Pell Grant amounts they qualify for	The maximum Pell Grant award for the 2009-10 award year (July 1, 2009 to June 30, 2010) is $5,350.
Federal Supplemental Educational Opportunity Grant (FSEOG)	Grant: does not have to be repaid	For undergraduates with exceptional financial need; priority is given to Federal Pell Grant recipients; funds depend on availability at school	$100 to $4,000
Academic Competitiveness Grant (ACG)	Grant does not have to be repaid	For undergraduates receiving Pell Grants who are U.S. citizens enrolled full-time in their first or second academic year* of study. For first academic year* students who have completed a rigourous secondary school program of study, graduated from high school after Jan. 1, 2006, and have not been previously enrolled in an undergraduate program. For second academic year* students who have completed a rigourous secondary school program of study, graduated from high school after Jan. 1, 2005, and have at least a 3.0 cumulative GPA at the completion of their first year of postsecondary study.	First academic year* students: up to $750 Second academic year* students: up to $1,300
National Science and Mathematics Access ro Retain Talent Grant (National SMART Grant)	Grant does not have to be repaid	For undergraduates receiving Pell Grants who are U.S. citizens enrolled full-time in their third or fourth academic year* of an eligible degree program majoring in physical, life, or computer sciences, engineering, technology, mathematics, or a critical-need foreign language and have at least a 3.0 cumulative GPA.	Up to $4,000 for each of the third and fourth academic years*
Federal Work-Study	Money is 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 minimum wage	No annual minimum or maximum award amounts
Federal Perkins Loan	Loan: must be repaid	5% loans for both undergraduate and graduate students; payment is owed to the school that made the loan	$4,000 maximum for undergraduate students; $6,000 maximum for graduate students; no minimum award amount
Subsidized FFEL[1] or Direct[2] Stafford Loan	Loan: must be repaid; you must be at least a half-time student	Subsidized: U.S. Department of Education pays interest while borrower is in school and during grace and deferment periods	$3,500 to $8,500, depending on grade level
Unsubsidized FFEL[1] or Direct[2] Stafford Loan	Loan: must be repaid; you must be at least a half-time student	Unsubsidized: Borrower is responsible for interest during life of the loan; financial need not a requirement	$3,500 to $20,500, depending on grade level (includes any subsidized amounts received for the same period)
FFEL or Direct PLUS Loan	Loan: must be repaid	Available to parents of dependent undergraduate students enrolled at least half time	Maximum amount is cost of attendance minus any other financial aid the student receives; no minimum award amount

[1] This type of Stafford Loan is from the Federal Family Education Loan (FFEL) Program. The loan is known as a FFEL (or Federal) Stafford Loan.
[2] This type of Stafford Loan is from the William D. Ford Federal Direct Loan Program. The loan is known as a Direct Loan.

9

Applying for Federal Student Aid

How do you apply?

Complete the Free Application for Federal Student Aid (FAFSA). Applying is FREE.

Applying is easy.

All you need for federal student aid is our application, referred to as the FAFSA. You might have to complete an additional application to be considered for school or state aid, but many schools and states use FAFSA information for this purpose.

Can you apply online?

Yes; in fact, it's faster and easier than using a paper FAFSA. You can complete our online application, FAFSA on the Web, from your home computer or from a computer at a central location like your high school, your local public library, or your local educational opportunity center. Go to www.fafsa.ed.gov to apply

What if you decide you want a paper application?

You can get a paper FAFSA—in English or Spanish—from your local library or high school, the college or career school you plan to attend, or our Federal Student Aid Information Center.

Just mail your FAFSA in the pre-addressed envelope that's in your FAFSA packet. Or, before mailing it, you could check to see if your school, or a school that interests you, offers the option of submitting your FAFSA data electronically.

When do you apply?

You can apply beginning Jan. 1 of your senior year in high school. You have until June 30 of the following year to submit your FAFSA. For the 2008-2009 award year, for example, applications must be submitted between Jan. 1, 2008 and June 30, 2009. There are no exceptions to the deadlines.

You must reapply for federal student aid for each year you'll be enrolled in a college or career school. Eligibility is determined for one award year at a time. The results of a 2008-2009 application will be good only for the 2008-2009 award year and any summer terms a school considers part of that award year.

When you're a senior, try to apply as soon as possible after Jan. 1. Schools and states often have much earlier deadlines than federal programs. For example, school or state deadlines for 2008-2009 are often in February or March 2008.

After you've applied for the first time, you might be able to apply more easily and quickly in later award years by completing a Renewal FAFSA. Generally, you fill out just the information that has changed from the previous award year. The Renewal FAFSA is also available online at FAFSA on the Web. You'll receive information about the Renewal FAFSA when it's time for you to use it.

What do you need before you fill out the Free Application for Federal Student Aid (FAFSA)?

- You need to have a Social Security Number (SSN).

Your SSN is used to verify your information and locate your federal student aid records. If you don't have an SSN yet, you should apply for one at your local Social Security office. You can find out more about applying at www.ssa.gov.

- It's not a requirement, but you should have a PIN.
  If you use our online FAFSA on the Web to apply for aid, having a PIN (a personal identification number) before you apply lets you "sign" your FAFSA electronically at the time you submit it. That way, the student aid process can be completed quickly and totally online, and you'll get your results faster.

  You request a PIN at www.pin.ed.gov. Don't wait until you apply to request a PIN. You can get one anytime. You'll receive your PIN either through regular mail or e-mail, if you provide your e-mail address.

  Before you apply, you should get a PIN to make the application process go even faster (see below).

  Even if you fill out a paper FAFSA, you should still request a PIN because you can use it to:

  - Look up your processed FAFSA data online;
  - Make online corrections to your application information;
  - Complete your Renewal FAFSA online; and
  - Access all your applicant data records online. For example, you can check your student loan history.

- You'll need to have the right documents and information to complete your FAFSA accurately.
  Because aid awards are based on financial need, you'll need to report certain financial information on the FAFSA. For example, if you're considered dependent on your parents—see "Dependency Status" below—you'll need your parents' W-2 forms and other records of money earned, as well as their U.S. income tax returns. You'll need your own forms as well. Referring to the tax forms while you complete the FAFSA makes it easier to answer the questions. The FAFSA requires specific information from specific lines on the U.S. income tax forms from the year prior to the award year (2005 tax return information for the 2006-2007 award year, for example).

  If tax forms aren't completed by the time you apply, you can complete the FAFSA with estimates of your financial information. Later, you must go back and correct your answers.

Read the instructions carefully when you fill out the FAFSA! Most mistakes are made because applicants don't follow instructions. Pay special attention to questions on income; most errors occur in that area.

Save the documents you use when completing the FAFSA. You might need them later if your school asks you to verify your FAFSA information. If the information is incorrect, you won't get federal student aid until you make corrections. It's a good idea to keep a photocopy of your completed FAFSA or a printout of your application from FAFSA on the Web.

What if you need help filling out your application?

- If you apply using our online FAFSA on the Web, help is built into the program while you're completing the form. You can also "chat" live online with someone if you have questions.

- You can also contact the Federal Student Aid Information Center with questions about either the paper or online FAFSA.

- You can also talk to the financial aid staff at the school you plan to attend.

- You can get the help you need for free from any of these sources; you don't have to pay for assistance.

How can you find out the status of your application after you submit it?

If you applied through FAFSA on the Web, you'll get a confirmation notice after you click on "Submit My FAFSA Now." Your FAFSA will be processed in a few days.

If you file a paper FAFSA, along with it you should mail the postcard that comes with the FAFSA packet. Your FAFSA will be processed within four weeks of the date you mail it.

How do the schools you're interested in get your FAFSA information?

You can list up to six schools on your FAFSA. Those schools will receive your FAFSA results electronically. If you later want to make changes to that list, you can do so online using your PIN or you can contact the Federal Student Aid Information Center.

Financial Aid Application Process Summary

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, Federal Student Aid 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 Applicationfor Federal Student Aid* (FAFSA), make corrections to your application information, and more—all online. Apply for a PIN at **www.pin.ed.gov**.

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, 2008 and June 30, 2009 (no exceptions to either date!). BUT, apply as soon as possible on or after Jan. 1 to meet school and state aid deadlines (see note at bottom of page). Apply online (the faster and easier way) by going to **www.fafsa.ed.gov**.

STEP 5 Federal Student Aid will send you a *Student Aid Report* (SAR)—which is a summary of the information from 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 If you are selected for verification, your school's financial aid office will ask you to submit tax returns and other documents, as appropriate. Be sure to meet the school's deadlines, or you will not receive federal student aid.

STEP 7 Whether you're selected for verification or not, make sure the financial aid office at the school has all the information needed to determine your eligibility.

STEP 8 **All students:** Contact the financial aid office if you have any questions about the aid being offered.

First-time applicants: Review award letters from schools and compare the aid being offered. Decide which school to attend based on a combination of (a) how well the school suits your needs (programs of study and academics) and (b) its affordability after all aid is taken into account.

10

Dependency Status

When you apply for federal student aid, you report certain financial information to determine your financial need. Financial need affects whether you receive most types of federal student aid and—if you're eligible—how much you'll receive. You'll need to know whose financial information to report on your application—yours or yours and your parents' information.

Note: Your answers to the questions in Step 3 of the FAFSA (or in Step 2 of the online FAFSA, FAFSA on the Web) determine whether you're considered a "dependent" or an "independent" student.

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

- Independent students report only their own income and assets (and those of a spouse, if married). Note that not living with your parents or not being claimed by them on the tax form does not necessarily qualify you as independent.

For the 2008-2009 academic year, you would be considered an independent student ONLY IF at least one of the following criteria applied to you:

- You were born before January 1, 1985.
- You are or will be enrolled in a master's or doctorate program (beyond a bachelor's degree) at the beginning of the 2008-2009 school year.
- You're married as of the day you apply (or, you're separated but not divorced).
- You have children who receive more than half their support from you.
- You have dependents (other than your children or spouse) who live with you and who receive more than half their support from you, at the time you apply and through June 30, 2009.
- Both your parents are deceased, or you are (or were until age 18) a ward or dependent of the court.
- You're a veteran of the U.S. Armed Forces. (A "veteran" includes students who attended a U.S. service academy and who were released under a condition other than dishonorable. For more detail on who is considered a veteran, see the explanatory notes on the FAFSA.)

If none of these criteria apply to you, you would be considered dependent.

If you're considered a dependent student at the time you apply, but your parents are divorced or separated, whose information would you report on the FAFSA?

You report information about the parent you lived with for the greater amount of time during the 12 months preceding the date of application. If you didn't live with either parent, or if you lived with each parent an equal number of days, you would use information about the parent who provided the greater amount of financial support during the 12 months preceding the date of 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.

If the parent you receive financial support from was a single parent who is now married, or the parent was divorced or widowed but has remarried, your stepparent's financial information is required on the FAFSA. 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 resources. Including this information on the FAFSA helps us form an accurate picture of your family's total financial strength.

When it's time to apply, you'll be considered a dependent student, but you have no contact with your parents. What do you do about reporting their income?

In unusual cases, an aid administrator can determine that a student who doesn't meet the independent student criteria above should nevertheless be treated as an independent student. The financial aid administrator can change your dependency status from dependent to independent based on adequate documentation of your special circumstances. You must provide this documentation. But, the aid administrator won't automatically change your status. That decision is based on the aid administrator's judgment and is final — you can't appeal that decision.

11

The Student Aid Report (SAR)

After you apply, you'll get the results of your Free Application for Federal Student Aid (FAFSA). Your results are contained in your Student Aid Report (SAR).

If you gave a valid e-mail address when you applied, you'll get an e-mail (within a few days) containing a secure link so you can access your SAR online. If you didn't provide an e-mail address, it will take a few weeks to receive a paper SAR.

What do you do with your SAR?

Review it carefully to make sure it's correct and complete. If it is, and your SAR contains your Expected Family Contribution (EFC) the schools you're interested in will use your SAR to determine your eligibility for federal, and possibly nonfederal, student aid funds.

If you need to make corrections:

- you can use your PIN to make them online at the FAFSA on the Web site, even if you didn't apply online, or
- you can usually make changes to a paper SAR, if that's what you received. Then, sign it, and mail it back. Make sure you keep a photocopy of your SAR containing the corrections. Note that correcting a paper SAR is a slower process than making corrections online.

If you misplace your SAR, you can request a duplicate by calling the Federal Student Aid Information Center.

Once your SAR is correct and complete, how do you find out if you're eligible and what aid you'll receive?

Contact the financial aid offices of the school(s) you're interested in. If you're eligible for federal student aid, each school will send you an award letter telling you the types of aid it will offer and how much you can receive. This combination of aid is known as your "financial aid package." Review the award letters carefully and compare how much aid you can receive at each school.

12

Types of Federal Student Aid

There are three types of federal student aid: grants, work-study, and loans.

- Grants are 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 school. You must repay your loans, with interest.

You apply for all three types of aid by filling out just one application: the Free Application for Federal Student Aid (FAFSA).

Grants

- There are four types of grants: Federal Pell Grants, Federal Supplemental Educational Opportunity Grants (FSEOGs), Academic Competitiveness Grants (ACG) and National SMART Grants.
- Generally, to receive a grant, you must be an undergraduate student (someone who hasn't earned a bachelor's or graduate degree).
- You can be enrolled full time or part time.

How much can you get?

Federal Pell Grants — Award amounts can change yearly. For the 2009-2010 award year, grant amount is $4,860. Verified on 02/01/2010

The amount you receive depends not only on your financial need but also on your costs to attend school, your status as a full-time or part-time student, and your plans to attend school for a full academic year or less. You can receive only one Pell Grant in an award year, and you can't receive Pell Grant funds from more than one school at a time.

Federal Supplemental Educational Opportunity Grants (FSEOGs) — Awards range from $100 to $4,000 a year.

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.

Academic Competitiveness Grants (ACG) — The maximum award for a first academic year* eligible undergraduate student is $750; the maximum award for a second academic year* eligible undergraduate student is $1,300.

This grant program began in the 2006-2007 award year for full-time undergraduate students.

National SMART Grants — The award is for up to $4,000 for each of the third and fourth academic years.

This grant program is for full-time undergraduate students who are enrolled in the third or fourth academic year* of undergraduate study.

What's the difference between these grants?

If you're eligible for a Federal Pell Grant, you'll receive the full amount you qualify for—each school participating in the program receives enough funds to pay the Pell 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.

Receiving other aid might reduce the amount of your FSEOG award. Also, each school participating in the FSEOG program receives a certain amount of FSEOG funds each year from the U.S. Department of Education. The school's financial aid office decides how best to award those funds. When all FSEOG funds are used for that award year, no more FSEOG awards can be made for that year—that's why not everyone who qualifies for an FSEOG might get one.

How will you be paid?

Your school can credit your grant funds to your school account, pay you directly (usually by check), or combine these methods. Also, with your permission, schools can credit your bank account. Schools must disburse funds at least once per term (semester, trimester, or quarter). Schools that don't use formally defined, traditional terms must disburse funds at least twice per academic year.

Federal Work-Study

- Provides part-time jobs allowing you to earn money to help pay for school;
- Encourages community service work and work related to your course of study, whenever possible;
- Is available to undergraduate and graduate students; and
- Is available to full-time and part-time students.

How much can you make?

You'll be paid at least the minimum wage, but you might receive more, depending on the type of work you do. You'll be paid by the hour or you might receive a salary. Your school must pay you directly at least once a month.

Can you work as many hours as you want?

No. The amount you earn can't exceed your total Federal Work-Study award. Also, when assigning work hours, your employer or financial aid administrator will consider your class schedule and your academic progress. Just as is true with the FSEOG program mentioned earlier, each school participating in the Federal Work-Study program receives a certain amount of Work-Study funds each year from the U.S. Department of Education. When all Work-Study funds are used for that award year, no more Federal Work-Study awards can be made for that year. So, you might receive less funds than you qualify for.

Where are the jobs located?

You can work either on or off campus. 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.

Your school might have agreements with private for-profit employers for Federal Work-Study jobs. If so, your job must be as relevant as possible to your course of study. If you attend a career school, there might be further restrictions on the jobs you can be assigned.

Loans

- Loans are borrowed money you must repay, with interest.
- Both undergraduate and graduate students can receive loans.
- For some loans, you don't have to demonstrate financial need.
- The amounts you can borrow depend in part on your grade level in school.

Federal Perkins Loans
These loans are offered to students who demonstrate the greatest financial need; Federal Pell Grant recipients get top priority. You can be enrolled full time or part time. Each school participating in the program receives a certain amount of Perkins funds each year from the U.S. Department of Education. When all those funds are used for that award year, no more Perkins Loans can be made for that year. You repay these loans to your school.

Stafford Loans
These loans are for undergraduate or graduate and professional students and are made through one of two U.S. Department of Education programs:

- William D. Ford Federal Direct Student Loan Program — referred to as Direct Loans or Direct Stafford Loans. Funds for Direct Loans come from the U.S. Department of Education and are delivered to you through your school. You repay these loans to the Department.
- Federal Family Education Loan (FFEL) Program — referred to as FFEL Stafford Loans or Federal Stafford Loans. Funds will come from a bank, credit union, or other lender that participates in the program. You repay these loans to your lender or its servicing agent.

Whether you borrow a Direct or a FFEL Stafford 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. It's possible for you to receive FFEL and Direct Stafford Loans, but not both types for the same period of enrollment at the same school.

For both types of Stafford Loans, you must be enrolled at least half time. You don't have to demonstrate financial need but, if you do, the government will pay the interest on your loan during certain periods.

PLUS Loans

These are loans parents can take out for their dependent undergraduate children who are enrolled as at least half-time students. The loans are made through the Direct Loan and FFEL programs mentioned above and are known either as Direct PLUS Loans or FFEL (or Federal) PLUS Loans.

What are the differences in these loan programs?
See the chart below for a quick comparison.

Student Loan Comparison Chart

Loan Program	Eligibility	Award Amounts	Interest Rate	Lender/Length of Repayment
Federal Perkins Loans	Undergraduate and graduate students	Undergraduate—up to $4,000 a year (maximum of $20,000 as an undergraduate) Graduate—up to $6,000 a year (maximum of $40,000, including undergraduate loans) Amount actually received depends on financial need, amount of other aid, availibility of funds at school	5 percent	Lender is your school Repay your school or its agent Up to 10 years to repay, depending on the amount owed
FFEL Stafford Loans (subsidized	Undergraduate and graduate students; must be enrolled at least half time	Depends on grade level in school and dependency status (see chart)	Changes yearly; for 2005-2006 is 3.37 percent for loans in repayment	Lender is a bank, credit union, or other participating lender

and unsubsidized)		Financial need is required for subsidized loans. Financial need not necessary for unsubsidized loans.	For those with financial need, government pays interest during school and certain other periods	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	Same as above	Same as above	Same as above	Lender is the U.S. Department of Education; repay Department Between 10 and 30 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; parents must not have bad credit history. Graduate or professional degree students enrolled at least half-time.	Cost of attendance - Other aid received = Maximum loan amount	Fixed rate at 8.5% for loans first disbursed on or after July 1, 2006; 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% for loans first disbursed on or after July 1, 2006; borrower pays all interest	Same as for Direct Stafford loans above, except that the Income contingent Repayment Plan is not an option

How do you apply for a Perkins or Stafford Loan?

You just need to complete the Free Application for Federal Student Aid (FAFSA). But, you will need to sign a promissory note, a binding legal document that says you agree to repay your loan according to the terms of the note. Read this note carefully and save it.

How much money can you get?

- Perkins Loans — See the chart above.
- FFEL or Direct Stafford Loans — See the chart below.

Note: You can't borrow more than your cost of attendance minus the amount of any Federal Pell Grant you're eligible for and minus any other financial aid you'll get. So, you might receive less than the annual maximum amounts given in the chart. Note that there are no minimum award amounts.

When you look at the chart, you'll see that your loan limits also depend on whether you receive "subsidized" or "unsubsidized" Stafford Loans.

Subsidized Stafford Loan

If you demonstrate financial need, you can receive a subsidized Stafford Loan to cover some or all of that need. If you get a subsidized loan, the U.S. Department of Education pays the interest while you're enrolled in school at least half

time, for the first six months after you leave school, and during a period of deferment—a postponement of loan payments.

The amount of your subsidized loan can't exceed your financial need.

Unsubsidized Stafford Loan

You might be able to receive loan funds beyond your subsidized loan limit or even if you don't have demonstrated financial need. In that case, you'd receive an unsubsidized loan. For this type of Stafford Loan, you're responsible for the interest from the time the loan is disbursed to you until it's paid in full. The government does not pay your interest.

Talk with the school(s) you're interested in to find out what kind of Stafford Loan you can get and how much you qualify for.

How will you get your loan funds?

- Perkins — 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 — Your school will disburse your loan in at least two installments; 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.

Your Perkins or Stafford 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 for Subsidized and Unsubsidized Direct and FFEL (Federal) Stafford Loans **Verified on 02/01/2010**

	Dependent Undergraduate Students	Independent Undergraduate Student	Graduate/Professional Student
1st Year	$3,500	$7,500—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 loan.
2nd Year	$4,500	$8,500—No more than $4,500 of this amount may be in subsidized loans.	
3rd and 4th Years (each)	$5,500	$10,500—No more than $5,500 of this amount must be in subsidized loans.	
Maximum Total Debt from Stafford Loans When You Graduate	$23,000	$46,000—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: For periods of study shorter than an academic year, the amounts you can borrow will be less than those listed. Also, you might receive less if you receive other financial aid that's used to cover a portion of your cost of attendance.

Other than interest, is there any charge associated with these loans?

- Federal Perkins Loans — No.
- Direct and FFEL Stafford Loans — Yes, you'll pay a fee of up to 4 percent of the loan, deducted proportionately from each loan disbursement. Because of this deduction, you'll receive slightly less than the amount you're borrowing.

When do you start repaying your loans?

After you graduate, leave school, or drop below half-time status, you must begin repayment. You have a period of time, however, called a grace period, before you must start making payments.

- Federal Perkins Loans — The grace period is nine months (if you're attending less than half time, check with the financial aid administrator at your college or career school to determine your grace period).
- Direct or FFEL (Federal) Stafford Loans — The grace period is six months.

How much time do you have to repay?

- Federal Perkins Loans — Up to 10 years
- Direct and FFEL Stafford Loans — Your repayment period varies from 10 to 25 years depending on whether the loan is a FFEL or a Direct Stafford Loan and depending on which repayment plan you choose. When it comes time to repay, you can pick the plan that's right for you.

The choices are:

- A 10-year plan with a minimum monthly payment of $50;
- A graduated plan with a monthly payment that starts out low and then increases gradually during the repayment period – not to exceed 10 years;
- An extended plan that allows you to repay your loan over a period not to exceed 10 years; or
- A plan that bases the monthly payment amount on how much money you make. (Direct PLUS Loan [parent] borrowers are not eligible to repay their loans under this plan.)

You'll get more information about repayment choices before you leave school and, later, from the holder of your loan.

What if you have trouble repaying your loan?

Under certain circumstances, you can receive a deferment or forbearance on your loan.

- Deferment — Your payments are postponed. Interest does not accumulate unless you have an unsubsidized Stafford Loan. If you have an unsubsidized Stafford Loan, you must pay the interest. You must meet specific conditions to qualify for a deferment. For example, you can receive a deferment while you're enrolled in school at least half time. You'll receive more information before you leave your college or career school, and you'll also get information from the holder of your loan.

- Forbearance — Your payments are postponed or reduced. Interest continues to accumulate, however, and you are responsible for paying it, no matter what kind of loan you have. Your lender usually grants forbearance if you don't qualify for a deferment.

Deferment and forbearance periods don't count toward the amount of time you have to repay.

You must apply to the holder of your loan for either deferment or forbearance. Note that you must continue to make payments until you're notified your request has been granted. If you don't, you might end up in default.

What is default?

Default occurs when you don't repay your loan according to the terms you agreed to when you signed the promissory note for your loan. Defaulting on a student loan has very serious consequences. Listed below are some of them:

- You'll be ineligible for additional federal student aid.
- You'll be ineligible for deferment or forbearance on your loan.
- Your credit record will be damaged, which can interfere with buying what you need, like a car.
- You might have trouble getting a job.
- Legal action can be taken against you to recover what you owe.

The last thing you want to do is default! If you ever have trouble making payments, contact the holder of your loan right away to discuss options to help you out.

Are there any situations where your loan could be canceled?

Your loan can be canceled for certain specific circumstances, such as your death or total and permanent disability. You also might qualify to have your loan canceled because of the work you do once you leave school (teaching in a low-income school, for example). You'll receive more information on cancellation provisions before you leave your college or career school.

Note that your loans can't be canceled because you're having financial problems. Also, they can't be canceled because you didn't complete the program of study at your school (unless you couldn't complete the program for a valid reason—because the school closed, for example). Cancellation is not possible because you didn't like your school or program of study, or you didn't obtain employment after you finished your program.

PLUS Loans (Parent Loans)

What are PLUS Loans?

Parents who have an acceptable credit history can take out a PLUS Loan (either a Direct PLUS Loan or a Federal Family Education [FFEL] PLUS Loan) to pay the education expenses of their children. Your parents can borrow for you if you're a dependent student enrolled at least half time in an eligible program at an eligible school.

How do your parents get a loan?

- Direct PLUS Loan — Your parents must complete a Direct PLUS Loan application and promissory note, contained in a single form you can get from your school's financial aid office.

- FFEL PLUS Loan — Your parents must complete and submit an application, available from your school, lender, or the guaranty agency in your state. After the school completes its portion of the application, it must be sent to a lender for evaluation. Your parents generally will be required to pass a credit check. If they don't pass, they might still be able to receive a loan if they can demonstrate that extenuating circumstances exist, or if someone they know—who can pass—agrees to endorse the loan and promises to repay it if your parents don't.

For either a Direct or a FFEL PLUS Loan, you must meet the general eligibility requirements for federal student aid and your parents must also meet some of these general requirements. For example, they must be citizens or eligible noncitizens and may not be in default or owe a refund to any federal student aid program.

Do your parents get the money or do you?

Your school first receives the loan funds and might require your parents to endorse a disbursement check and send it back to the school. The school then applies the money to your tuition and fees, room and board, and other school charges. If any loan money remains, your parents receive the amount as a check or in cash, unless they authorize the funds to be released to you. The remaining loan money must be used for your education expenses.

When do your parents begin repaying the loan?

Generally, the first payment is due within 60 days after the loan is fully disbursed. There is no grace period for these loans. Interest begins to accumulate at the time the first disbursement is made, so your parents will begin repaying both the principal and interest while you're in school. Your parents must pay the interest on their PLUS Loan if they have a deferment or forbearance.

13

Loan Repayment

This section will give you basic information on loan repayment. Also, contact the holder of your loan.

When do you start paying back your student loans?

If you're attending school at least half time, you have a period of time after you graduate, leave school, or drop below half-time status before you must begin repayment. This period of time is called a "grace period".

- Federal Perkins Loans — the grace period is nine months (If you're attending less than half time, check with your financial aid administrator to determine your grace period.)

- Direct Stafford Loans or Federal Family Education Loan (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. You can either pay the interest as you go along or it will be capitalized (added to the principal loan balance) later.

Those on active duty with the military might have longer grace periods than those mentioned here and will have additional options to postpone repayment. Contact the holder of the loan for more information.

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.

When do your parents begin repaying a PLUS Loan?

Generally, within 60 days after the loan is fully disbursed (paid out). There is no grace period for these loans. This means interest begins to accumulate at the time the first disbursement is made. Your parents must begin repaying both principal and interest while you're in school.

How much will you have to repay and how often do you repay?

Usually, you'll pay monthly. Your repayment amount will depend on the size of your debt and the length of your repayment period. If you have a FFEL or Direct Stafford Loan, the amount you'll pay also depends on the repayment plan you choose. Federal Perkins Loans do not have different repayment plans.

Perkins Loans

- You'll make payments to the school that made you the loan.

- You'll have up to 10 years to repay your loan.

The table below shows typical monthly payments and total interest charges for three different 5-percent loans over a 10-year period.

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

Direct and FFEL Stafford Loans

- Direct Loan — You'll make payments to us (the U.S. Department of Education) through our Direct Loan Servicing Center. Direct Loan borrowers can view and pay their bills online, using their PIN, through the Servicing Center Web site: www.dl.ed.gov.

- FFEL Stafford Loan — You'll repay the private lender that made you the loan or the lender's servicing agent.

The repayment periods for Stafford Loans vary from 10 to 25 years depending on whether the loan is a FFEL or a Direct Stafford Loan and depending on which repayment plan you choose. When it comes time to repay, you can pick a repayment plan that's right for you:

- A 10-year Standard Plan with a minimum monthly payment of $50;
- An Extended Plan that allows you to repay your loan over a longer period;
- A Graduated Plan with a monthly payment that starts out low and then increases gradually during the repayment period; or
- A plan that bases the monthly payment amount on how much money you make. Under FFEL, this plan is called the Income-Sensitive Repayment Plan; under Direct, the plan is called the Income-Contingent Repayment Plan. The terms of these plans vary slightly.

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 detail about these repayment plans from Repaying Your Student Loans.

Examples of Typical Direct and FFEL[1] Stafford Loan Repayments[2]
(Monthly Payments and Total Amounts Repaid Under Different Repayment Plans)

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] *Not to exceed 10 years*		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	$227	$83,289	$316	$58,229	$253	$72,717	$197	$84,352

Payments are calculated using the fi xed interest rate of 6.8 percent forstudent borrowers for loans made on or aft er July 1, 2006.

a) *For a FFEL borrower, the requirement is that the borrower (1) must have had no outstanding balance on a FFEL Program loan as of October 7, 1998, or on the date the borrower obtained a FFEL Program loan on or aft er 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 October 7, 1998, or on the date the borrower obtained a Direct Loan Program loan on or aft er 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) *T is is an estimated monthly repayment amount for the fi rst two years of the term and total loan payment. Th e 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 eff ect during 2006.*

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

How do your parents pay back their PLUS Loan?

Your parents have nearly all the repayment options that Direct and FFEL Stafford Loan borrowers have. The exception is that the Direct Loan Income Contingent Repayment Plan is not an option for Direct PLUS Loan borrowers.

Are there any tax incentives available for paying back student loans?

Yes, for certain higher education expenses, including a deduction for student loan interest for certain borrowers. This benefit applies to all loans used to pay for postsecondary education costs, including PLUS Loans. IRS Publication 970, Tax Benefits for Higher Education, explains these credits and other tax benefits. You can find out more at www.irs.gov or by calling the IRS at 1-800-829-1040. TTY callers can call 1-800-829-4059.

14

Deferment and Forbearance (Postponing Loan Repayment)

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 a forbearance for a loan in default.

Deferment

A deferment is a period of time during which no payments are required and interest does not accrue (accumulate), unless you have an unsubsidized Stafford Loan. In that case, you must pay the interest.

How do you qualify for a deferment?

The most typical loan deferment conditions are enrollment in school at least half time, inability to find full-time employment (for up to three years), and economic hardship (for up to three years). Other deferment conditions are loan specific.

Can your parents defer repayment of their PLUS Loan?

Yes, as long as the loan isn't in default. Generally, the same deferment provisions that apply to Stafford Loans apply to PLUS Loans. Because PLUS Loans are unsubsidized, however, your parents will be charged interest during periods of deferment. If they don't pay the interest as it accrues, it will be capitalized.

Forbearance

If you temporarily can't meet your repayment schedule but you don't meet the requirements for a deferment, your lender might grant you forbearance. During forbearance, your loan payments are postponed or reduced. Interest continues to accrue (accumulate), however, and you are responsible for paying it, no matter what kind of loan you have.

Generally, you can receive forbearance for periods of up to 12 months at a time for a maximum of three years. You'll have to provide documentation to the holder of your loan to show why you should be granted forbearance.

Your parents might also receive forbearance on their PLUS loan.

Applying for Deferment or Forbearance

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

- Federal Perkins Loan—contact the school that made you the loan or the school's servicing agent.
- Direct Loans (includes Direct PLUS Loans)—contact the Direct Loan Servicing Center.
- FFEL Loans (includes FFEL PLUS Loans)—contact the lender or agency holding the loan.

15

Loan Discharge (Cancellation)

Is it ever possible to have a federal student loan discharged (canceled)?

Yes, but only under specific circumstances and as long as you're not in default on the loan. A discharge releases you from all obligation to repay the loan.

What qualifies my loan for discharge?

Two examples are your death or your total and permanent disability. Also, your loan might be discharged because of the type of work you do: teaching in a designated low-income school, for example.

Other cancellations are loan specific. For a complete list of cancellation provisions for Perkins Loans and Stafford Loans, contact the holder of your loan.

Your loan can't be canceled because you didn't complete the program of study at your school (unless you couldn't complete the program for a valid reason—because the school closed, for example). Also, cancellation isn't possible because you didn't like the school or program of study, or you didn't obtain employment afterwards.

Can your parents ever have their PLUS Loan discharged?

Generally, if a cancellation condition applies to you, your parents can have their FFEL or Direct PLUS Loan discharged.

For more information, if your parents have a Direct PLUS Loan, they should contact the Direct Loan Servicing Center at 1-800-848-0979, or they can go to www.dl.ed.gov. If they have a FFEL PLUS Loan, they should contact the lender or agency holding the loan.

How do you find out if you can get a discharge?

After reviewing the cancellation 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 servicing agent.
- Direct Stafford Loans—contact the Direct Loan Servicing Center.
- FFEL Stafford Loans—contact your lender or its servicing agent.

16

Loan Consolidation

What is loan consolidation?

You can consolidate (combine) multiple federal student loans with various repayment schedules into one loan: either a Federal Family Education Loan (FFEL) Consolidation Loan or a Direct Consolidation Loan. Then, you can make just one monthly repayment.

With a consolidation loan, your payments might be significantly lower, and you can take a longer time to repay (up to 30 years). Also, you might pay a lower interest rate than you would on one or more of your existing loans.

Your parents can also get a Direct or FFEL PLUS Consolidation Loan if they have a PLUS Loan for you.
If you're in default on a federal student loan, you still might be able to consolidate, provided the defaulted loan is not subject to a judgment or wage garnishment.

What kinds of loans can be consolidated?

All the loans discussed in this publication are eligible for consolidation, and others can be included.
For a list of your loans eligible for consolidation, contact your lender if you're applying for a FFEL Consolidation Loan.

If you're applying for Direct Consolidation Loan, contact the Loan Origination Center's Consolidation Department at 1-800-557-7392. TTY users may call 1-800-557-7395. Or, you can go to www.loanconsolidation.ed.gov.

When can you consolidate your loans?

You can consolidate during your grace period, once you've entered repayment, or during periods of deferment or forbearance. If you want to apply for a Direct Consolidation Loan, you can get one while you're in school. Certain conditions apply, so check with the Loan Origination Center's Consolidation Department at the number given above. Note that you can't get a FFEL Consolidation Loan while you're in school.

How do you get a consolidation loan?

- FFEL Consolidation Loan—you (or your parents, for a FFEL PLUS Consolidation Loan) can contact the consolidation department of a participating lender for an application and more information. If the same FFEL loan holder holds all the loans you (or your parents) want to consolidate, usually you must obtain your consolidation loan from that holder.

- Direct Consolidation Loan—you (or your parents, for a Direct PLUS Consolidation Loan) can contact the Direct Loan Origination Center's Consolidation Department (see above).

What's the interest rate on a consolidation loan?

Currently, the interest rate for both Direct and FFEL Consolidation Loans is a fixed rate for the life of the loan (unlike Direct and FFEL Stafford Loans, which have variable interest rates).

The fixed rate is based on the weighted average of the interest rates on the loans you consolidate, rounded up to the nearest one-eighth of a percent. The interest rate does not exceed 8.25 percent. Verified on 02/01/2010

Are there any disadvantages to getting a consolidation loan?

Yes, there could be. For example, consolidation significantly increases the total cost of repaying your loans. Because you can have a longer period of time to repay, you'll pay more interest. In fact, consolidation can double total interest expense. So, compare the cost of repaying your unconsolidated loans with the cost of repaying a consolidation loan.

Where can you get more information on consolidation loans?

You'll be given more information about loan consolidation during entrance and exit counseling sessions you'll receive from your school. You can contact the holder of your loans.

17

U.S. Armed Forces

Military Options

1. You can attend one of the military academies. These are four year colleges that are tuition free and offer bachelor's degrees and a commission in the military after graduation

2. Enroll in Reserve Officer Training Corps (ROTC), which will pay for your tuition, fees and books and provide you with a monthly allowance.

3. Join the Armed Forces before you go to college and take advantage of the Montgomery GI Bill, which provides financial support to those who attend school after serving in the military.

You should contact your local military recruiter for more information on these programs.

ROTC

Leadership, Extracurricular and Athletic Activities

ROTC Scholarship winners are usually well-rounded, active students with good grades and above average potential. More than half of them have held an office either in one of their classes or the student body. Most are National Honor Society members, and a few are editors of school publications. Many are members of clubs (at school or private organizations), and others are varsity letter winners and varsity team captains. As you can see, they look for achievers with broad interests, leadership ability, and a demonstrated willingness to take on challenges and overcome them.

Army ROTC

The Army ROTC provides college-trained officers for the Army, Army Reserve and Army National Guard. The Army ROTC program is offered at more than 600 colleges and universities throughout the nation. As the largest single source of Army officers, the ROTC program fulfills a vital role in providing mature young men and women for leadership and management positions in an increasingly technical Army.

Naval Reserve Officers Training Corps (NROTC)

The NROTC Program was established to educate and train qualified young men and women for service as commissioned officers in the unrestricted line Naval Reserve or Marine Corps Reserve. As the largest single source of Navy and Marine Corps officers, the NROTC Scholarship Program plays an important role in preparing mature young men and women for leadership and management positions in an increasingly technical Navy and Marine Corps.
For program requirements and scholarship information visit https://www.nrotc.navy.mil/faqs.cfm

U.S. Air Force ROTC

Air Force ROTC is a college program offered at over 1,000 colleges and universities across the U.S. that prepares you to become an Air Force officer. It means the opportunity to get the money you need for college, making the most out of your college experience and your life, and the chance to earn a college degree while working toward becoming an officer in the United States Air Force. For more information visit http://www.afrotc.com/overview/programs.php

ROTC Profile

The following data gives an average leadership, extracurricular and athletic activities profile for a scholarship winner for recent school years: Verified on 02/01/2010

President of student bodies of senior class	6%
Other class officers	39%
National Honor Society members	59%
Varsity letter winners	79%
Varsity team captains	54%
Junior ROTC participants	27%
Club presidents	18%

Rank in Class/College Board Scores

Most ROTC scholarship winners fall in the top 25% of their class. Most score between 920-1600 on the SAT and 19-35 on the ACT. In recent years, the average SAT was 1242 and 28 ACT.

The APFT will be given to all scholarship winners when they enroll in college in the fall. Scholarship benefits will not begin until you have successfully passed the APFT. This fitness test consists of repetitive push-ups and sit-ups and a two-mile run.

- A male between 17 and 21 years old should arrive at college able to do 42 push-ups, a female 18 push-ups.
- A male needs to be able to do 52 sit-ups and a female 50 sit-ups.
- A good time for the two mile run for a male would be 16 minutes and for a female 19 minutes.
- Good physical conditioning is critical and prior physical conditioning and muscle toning is essential.
- To access an online application go to http://www.armyrotc.com/scholar.htm.

18

State Higher Education Agencies

These agencies provide information on state education programs, colleges and universities, student aid assistance programs, grants, scholarships, continuing education programs, career opportunities, and some guaranty agencies.

State	Telephone Number	State	Telephone Number
Alabama	1-800-960-7773	New Mexico	1-800-279-9777
Alaska	1-800-441-2962	New York	1-888-697-4372
Arizona	1-602-258-2435	North Carolina	1-866-866-2362
Arkansas	1-800-547-8839	North Dakota	1-701-328-4114
California	1-888-224-7268	Ohio	1-888-833-1133
Colorado	1-303-866-2723	Oklahoma	1-800-858-1840
Connecticut	1-860-947-1855	Oregon	1-800-452-8807
Delaware	1-800-292-7935	Pennsylvania	1-800-692-7392
District of Columbia	1-202-727-6436	Rhode Island	1-800-922-9855
Florida	1-888-827-2004	South Carolina	1-877-349-7183
Georgia	1-800-505-4732	South Dakota	1-605-773-3455
Hawaii	1-808-956-8111	Tennessee	1-800-342-1663
Idaho	1-208-332-1574	Texas	1-888-311-8881
Illinois	1-800-899-4722	Utah	1-800-418-8757
Indiana	1-888-528-4719	Vermont	1-800-642-3177
Iowa	1-800-383-4222	Virginia	1-877-516-0138
Kansas	1-785-296-3421	Washington	1-888-535-0747
Kentucky	1-800-928-8926	West Virginia	1-888-825-5707
Louisiana	1-800-259-5626	Wisconsin	1-608-267-2206
Maine	1-800-228-3734	Wyoming	1-307-777-7690
Maryland	1-800-974-1024		
Massachusetts	1-617-727-9420	Puerto Rico	1-787-724-7100
Michigan	1-800-642-5626	Virgin Islands	1-340-774-4546
Minnesota	1-800-657-3866		
Mississippi	1-800-327-2980	NOTE: The following numbers link to colleges, as there are no state higher education agencies in these areas.	
Missouri	1-800-473-6757		
Montana	1-406-444-6570	American Samoa	011-684-699-9155
Nebraska	1-402-471-2847	Guam	1-671-735-2288
Nevada	1-775-687-9200	Northern Mariana Islands	1-670-234-5498
New Hampshire	1-603-271-2555	Republic of the Marshall Islands	011-692-625-3108
New Jersey	1-800-792-8670	Republic of Palau	011-680-488-2471

State Higher Education Agency Numbers

Provide information on the state's education programs, colleges and universities, financial aid assistance programs, grants, scholarships, continuing education programs, and career opportunities.

States

Alabama
Alabama Commission on Higher Education
P.O. Box 302000
Montgomery, AL 36130-2000
Phone: (334) 242-1998
Toll-Free: (800) 960-7773
Toll-Free Restrictions: AL residents only
Fax: (334) 242-0268
Email: mmalone@ache.state.al.us or tvick@ache.state.al.us
Website: http://www.ache.state.al.us/

Alaska
Alaska Commission on Postsecondary Education
3030 Vintage Boulevard
Juneau, AK 99801-7100
Phone: (907) 465-2962
Toll-Free: (800) 441-2962
Fax: (907) 465-5316
TTY: (907) 465-3143
Email: customer_service@acpe.state.ak.us
Website: http://alaskadvantage.state.ak.us/

Arizona
Arizona Commission for Postsecondary Education
Suite 550
2020 North Central Avenue
Phoenix, AZ 85004-4503
Phone: (602) 258-2435
Fax: (602) 258-2483
Email: aosborn@azhighered.gov or acpe@azhighered.gov
Website: http://www.azhighered.gov

Arkansas
Arkansas Department of Higher Education
114 East Capitol
Little Rock, AR 72201-3818
Phone: (501) 371-2000
Fax: (501) 371-2001
Email: ronh@adhe.arknet.edu
Website: http://www.arkansashighered.com/

California
California Student Aid Commission
P.O. Box 419027
Rancho Cordova, CA 95741-9027
Phone: (916) 526-7590

Toll-Free: (888) 224-7268
Fax: (916) 526-8004
Email: studentsupport@csac.ca.gov
Website: http://www.csac.ca.gov/

Colorado
Colorado Commission on Higher Education
Suite 1200
1380 Lawrence Street
Denver, CO 80204
Phone: (303) 866-2723
Fax: (303) 866-4266
Email: CCHE@state.co.us
Website: http://www.state.co.us/cche/

Connecticut
Connecticut Department of Higher Education
61 Woodland Street
Hartford, CT 06105-2326
Phone: (860) 947-1855
Toll-Free: (800) 842-0229
Fax: (860) 947-1310
Email: info@ctdhe.org or lnegro@ctdhe.org
Website: http://www.ctdhe.org/

Delaware
Delaware Higher Education Commission
Fifth Floor
Carvel State Office Building
820 North French Street
Wilmington, DE 19801
Phone: (302) 577-5240
Toll-Free: (800) 292-7935
Fax: (302) 577-6765
Email: dhec@state.de.us
Website: http://www.doe.state.de.us/high-ed/

District of Columbia
State Education Office (District of Columbia)
Suite 350 North
441 Fourth Street, NW
Washington, DC 20001
Phone: (202) 727-6436
Toll-Free: (877) 485-6751
Fax: (202) 727-2834
TTY: (202) 727-1675
Email: seo@seo.dc.gov
Website: http://seo.dc.gov/main.shtm

Florida
Florida Department of Education
Office of Student Financial Assistance
1940 North Monroe Street, Suite 70

Tallahassee, Florida 32303
Phone: (888) 827-2004
Fax: (850) 487-6244
Email: brightf@mail.doe.state.fl.us
Website: http://www.floridastudentfinancialaid.org

Georgia
Georgia Student Finance Commission
State Loans Division
Suite 230
2082 East Exchange Place
Tucker, GA 30084
Phone: (770) 724-9000
Toll-Free: (800) 505-4732
Fax: (770) 724-9089
Email: info@gsfc.org or timc@gsfc.org
Website: http://www.gsfc.org/

Hawaii
Hawaii State Postsecondary Education Commission
Room 209
2444 Dole Street
Honolulu, HI 96822-2302
Phone: (808) 956-8111
Fax: (808) 956-5156

Idaho
Idaho State Board of Education
P.O. Box 83720
Boise, ID 83720-0037
Phone: (208) 332-1574
Fax: (208) 334-2632
Email: board@osbe.idaho.gov
Website: http://www.boardofed.idaho.gov/

Illinois
Illinois Student Assistance Commission
1755 Lake Cook Road
Deerfield, IL 60015-5209
Phone: (847) 948-8500
Toll-Free: (800) 899-4722
Fax: (847) 831-8549
TTY: (847) 831-8326
Email: collegezone@isac.org or JEckley@isac.org
Website: http://www.collegezone.com/

Indiana
State Student Assistance Commission of Indiana
Suite 500
150 West Market Street
Indianapolis, IN 46204-2811
Phone: (317) 232-2350
Toll-Free: (888) 528-4719

Toll-Free Restrictions: IN residents only
Fax: (317) 232-3260
Email: grants@ssaci.state.in.us
Website: http://www.ssaci.in.gov/

Iowa
Iowa College Student Aid Commission
Fourth Floor
200 10th Street
Des Moines, IA 50309
Phone: (515) 242-3344
Toll-Free: (800) 383-4222
Toll-Free Restrictions: IA residents only
Fax: (515) 242-3388
Email: info@iowacollegeaid.org or keith.greiner@iowa.gov
Website: http://www.iowacollegeaid.org/

Kansas
Kansas Board of Regents
Curtis State Office Building
Suite 520
1000 SW Jackson Street
Topeka, KS 66612-1368
Phone: (785) 296-3421
Fax: (785) 296-0983
Email: bfincher@ksbor.org or rrobinson@ksbor.org
Website: http://www.kansasregents.org/

Kentucky
Kentucky Higher Education Assistance Authority
P.O. Box 798
Frankfort, KY 40602-0798
Phone: (502) 696-7200
Toll-Free: (800) 928-8926
Fax: (502) 696-7496
TTY: (800) 855-2880
Email: inquiries@kheaa.com
Website: http://www.kheaa.com/

Louisiana
Louisiana Office of Student Financial Assistance
P.O. Box 91202
Baton Rouge, LA 70821-9202
Phone: (225) 922-1012
Toll-Free: (800) 259-5626
Fax: (225) 922-0790
Email: custserv@osfa.state.la.us
Website: http://www.osfa.state.la.us/

Maine
Finance Authority of Maine
P.O. Box 949
Augusta, ME 04332-0949

Phone: (207) 623-3263 x313
Toll-Free: (800) 228-3734
Fax: (207) 623-0095
TTY: (207) 626-2717
Email: info@famemaine.com or jviolette@famemaine.com
Website: http://www.famemaine.com/

Maryland
Maryland Higher Education Commission
Suite 400
839 Bestgate Road
Annapolis, MD 21401-3013
Phone: (410) 260-4500
Toll-Free: (800) 974-1024
Toll-Free Restrictions: MD residents only
Fax: (410) 974-5994
TTY: (800) 735-2258
Email: cburnett@mhec.state.md.us
Website: http://www.mhec.state.md.us/

Massachusetts
Massachusetts Board of Higher Education
Room 1401
One Ashburton Place
Boston, MA 02108-1696
Phone: (617) 994-6950
Fax: (617) 727-6397
Email: bhe@bhe.mass.edu or cmccurdy@osfa.mass.edu
Website: http://www.mass.edu/

Teri College Access Center
Boston Public Library
700 Boylston Street
Boston, MA 02116
Phone: (617) 536-0200
Toll-Free: (877) 332-4348
Toll-Free Restrictions: MA residents only
Fax: (617) 536-4737
Email: horton@teri.org
Website: http://www.tericollegeaccess.org/

Michigan
Michigan Student Financial Services Bureau
P.O. Box 30047
Lansing, MI 48909-7547
Toll-Free: (800) 642-5626 x37054
Fax: 517-241-0155
Email: sfs@michigan.gov
Website: http://www.michigan.gov/mistudentaid

Minnesota
Minnesota Office of Higher Education
Suite 350

1450 Energy Park Drive
Saint Paul, MN 55108-5227
Phone: (651) 642-0567
Toll-Free: (800) 657-3866
Fax: (651) 642-0675
TTY: (800) 627-3529
Email: info@heso.state.mn.us
Website: http://www.ohe.state.mn.us/

Mississippi
Mississippi Office of Student Financial Aid
3825 Ridgewood Road
Jackson, MS 39211-6453
Phone: (601) 432-6997
Toll-Free: (800) 327-2980
Toll-Free Restrictions: MS residents only
Fax: (601) 432-6527
Email: sfa@ihl.state.ms.us
Website: http://www.mississippiuniversities.com/

Missouri
Missouri Department of Higher Education
3515 Amazonas Drive
Jefferson City, MO 65109
Phone: (573) 751-2361
Toll-Free: (800) 473-6757
Fax: (573) 751-6635
TTY: (800) 735-2966
Email: info@dhe.mo.gov
Website: http://www.dhe.mo.gov/

Montana
Montana University System
2500 Broadway
P.O. Box 203101
Helena, MT 59620-3101
Phone: (406) 444-6570
Fax: (406) 444-1469
Email: srosette@oche.montana.edu or sstearns@oche.montana.edu
Website: http://www.montana.edu/wwwoche/

Nebraska
Nebraska Coordinating Commission for Postsecondary Education
Suite 300
140 North Eighth Street
P.O. Box 95005
Lincoln, NE 68509-5005
Phone: (402) 471-2847
Fax: (402) 471-2886
Email: rodriguez@ccpe.state.ne.gov or marshall.hill@ccpe.state.ne.gov
Website: http://www.ccpe.state.ne.us/PublicDoc/CCPE/Default.asp

Nevada
Commission on Postsecondary Education
1820 East Sahara Avenue, Suite 111
Las Vegas, Nevada 89104
Phone: (775) 687-9200
Fax: (702) 486-7340
Email: dperlman@cpe.state.nv.us
Website: http://www.cpe.state.nv.us

New Hampshire
New Hampshire Postsecondary Education Commission
Suite 300
3 Barrell Court
Concord, NH 03301-8543
Phone: (603) 271-2555
Fax: (603) 271-2696
TTY: (800) 735-2964
Email: pedes@pec.state.nh.us
Website: http://www.state.nh.us/postsecondary/

New Jersey
Commission on Higher Education (New Jersey)
20 West State Street
P.O. Box 542
Trenton, NJ 08625-0542
Phone: (609) 292-4310
Fax: (609) 292-7225
Email: nj_che@che.state.nj.us or vmanning@che.state.nj.us
Website: http://www.state.nj.us/highereducation/index.htm

Higher Education Student Assistance Authority (New Jersey)
P.O. Box 540
Building 4
Quakerbridge Plaza
Trenton, NJ 08625-0540
Phone: (609) 588-3226
Toll-Free: (800) 792-8670
Fax: (609) 588-7389
TTY: (609) 588-2526
Website: http://www.hesaa.org/

New Mexico
New Mexico Higher Education Department
1068 Cerrillos Road
Santa Fe, NM 87505
Phone: (505) 476-6500
Toll-Free: (800) 279-9777
Fax: (505) 476-6511
TTY: (800) 659-8331
Email: highered@state.nm.us or maria.martinez1@state.nm.us
Website: http://hed.state.nm.us/index.asp

New York
New York State Higher Education Services Corporation
99 Washington Avenue
Albany, NY 12255
Phone: (518) 473-1574
Toll-Free: (888) 697-4372
Fax: (518) 474-2839
TTY: (800) 445-5234
Email: webmail@hesc.org
Website: http://www.hesc.org/

North Carolina
North Carolina State Education Assistance Authority
P.O. Box 13663
Research Triangle Park, NC 27709-3663
Phone: 919-549-8614
Toll-Free: 866-866-CFNC (2362)
Toll-Free Restrictions: NC residents only
Fax: 919-549-8481
Email: programinformation@cfnc.org
Website: http://www.cfnc.org/

North Dakota North Dakota University System
North Dakota Student Financial Assistance Program
Department 215
600 East Boulevard Avenue
Bismarck, ND 58505-0230
Phone: (701) 328-4114
Fax: (701) 328-2961
Email: ndus.office@ndus.nodak.edu
Website: http://www.ndus.edu/

Ohio
Ohio Board of Regents / State Grants and Scholarships Department
P.O. Box 182452
Columbus, OH 43218-2452
Phone: (614) 466-7420
Toll-Free: (888) 833-1133
Fax: (614) 752-5903
Email: cshahid@regents.state.oh.us or regents@regents.state.oh.us
Website: http://www.regents.state.oh.us/sgs/

Oklahoma
Oklahoma State Regents for Higher Education
Suite 200
655 Research Parkway
Oklahoma City, OK 73104
Phone: (405) 225-9100
Toll-Free: (800) 858-1840
Fax: (405) 225-9230
Email: studentinfo@osrhe.edu or rstokes@osrhe.edu
Website: http://www.okhighered.org/

Oregon
Oregon Student Assistance Commission
Suite 100
1500 Valley River Drive
Eugene, OR 97401
Phone: (541) 687-7400
Toll-Free: (800) 452-8807
Fax: (541) 687-7419
Email: public_information@mercury.osac.state.or.us or tracy.a.richardson@state.or.us
Website: http://www.osac.state.or.us/

Oregon University System
P.O. Box 3175
Eugene, OR 97403-0175
Phone: (541) 346-5700
Fax: (541) 346-5764
TTY: (541) 346-5741
Email: maggie_bice@ous.edu
Website: http://www.ous.edu/

Pennsylvania
Office of Postsecondary and Higher Education (Pennsylvania)
Department of Education
333 Market Street
Harrisburg, PA 17126
Phone: (717) 787-5041
Fax: (717) 772-3622
TTY: (717) 783-8445
Email: mkrapsho@state.pa.us
Website: http://www.pdehighered.state.pa.us/higher/site/default.asp

Rhode Island
Rhode Island Higher Education Assistance Authority
560 Jefferson Boulevard
Warwick, RI 02886
Phone: (401) 736-1100
Toll-Free: (800) 922-9855
Fax: (401) 732-3541
TTY: (401) 734-9481
Email: info@riheaa.org
Website: http://www.riheaa.org/

Rhode Island Office of Higher Education
301 Promenade Street
Providence, RI 02908-5748
Phone: (401) 222-6560
Fax: (401) 222-6111
TTY: (401) 222-1350
Email: ribghe@etal.uri.edu or carriuolo@etal.uri.edu
Website: http://www.ribghe.org/

South Carolina
South Carolina Commission on Higher Education
Suite 200
1333 Main Street
Columbia, SC 29201
Phone: (877 349-7183
Fax: (803) 737-2297
Email: brogers@che.sc.gov
Website: http://www.che.sc.gov/

South Dakota
South Dakota Board of Regents
Suite 200
306 East Capitol Avenue
Pierre, SD 57501-2545
Phone: (605) 773-3455
Fax: (605) 773-5320
Email: info@ris.sdbor.edu
Website: http://www.ris.sdbor.edu/

Tennessee
Tennessee Higher Education Commission
Parkway Towers
Suite 1900
404 James Robertson Parkway
Nashville, TN 37243-0830
Phone: (800) 342-1663
Fax: (615) 741-6230
Email: lovella.carter@state.tn.us
Website: http://www.state.tn.us/thec/

Texas
Texas Higher Education Coordinating Board
P.O. Box 12788
Austin, TX 78711-2788
Phone: (512) 427-6101
Toll-Free: (800) 242-3062
Toll-Free Restrictions: Outside Austin metro area
Fax: (512) 427-6127
Email: linda.battles@thecb.state.tx.us or casey.kennedy@thecb.state.tx.us
Website: http://www.thecb.state.tx.us/

Utah
Utah State Board of Regents
Gateway Center
60 South 400 West
Salt Lake City, UT 84101-1284
Phone: (800) 418-8757
Fax: (801) 321-7156
Email: jcottrell@utahsbr.edu
Website: http://www.utahsbr.edu/

Vermont
Vermont Student Assistance Corporation
Champlain Mill
P.O. Box 20001
Winooski, VT 05404-2601
Phone: (802) 655-9602
Toll-Free: (800) 642-3177
Fax: (802) 654-3765
TTY: (800) 281-3341
Email: info@vsac.org
Website: http://www.vsac.org/

Virginia
State Council of Higher Education for Virginia
James Monroe Building
Ninth Floor
101 North 14th Street
Richmond, VA 23219
Phone: (877) 516-0138
Fax: (804) 225-2604
Email: elizabethwallace@schev.edu or todmassa@schev.edu
Website: http://www.schev.edu/

Washington
Washington State Higher Education Coordinating Board
P.O. Box 43430
917 Lakeridge Way
Olympia, WA 98504-3430
Phone: (888) 535-0747
Fax: (360) 753-7808
Email: info@hecb.wa.gov
Website: http://www.hecb.wa.gov/

West Virginia
West Virginia Higher Education Policy Commission
1018 Kanawha Boulevard, East
Charleston, WV 25301
Phone: (304) 558-0699
Fax: (304) 558-1011
Email: flack@hepc.wvnet.edu
Website: http://www.hepc.wvnet.edu/

Wisconsin
Wisconsin Higher Educational Aids Board
Suite 902
131 West Wilson Street
Madison, WI 53703
Phone: (608) 267-2206
Fax: (608) 267-2808
Email: cassie.weisensel@heab.state.wi.us or nancy.wilkison@heab.state.wi.us
Website: http://heab.state.wi.us/

Wyoming
Wyoming Community College Commission
8th Floor
2020 Carey Avenue
Cheyenne, WY 82002
Phone: (307) 777-7790
Fax: (307) 777-6567
Email: jrose@commission.wcc.edu
Website: http://www.commission.wcc.edu/

Territories

American Samoa
American Samoa Community College
Board of Higher Education
P.O. Box 2609
Pago Pago, AS 96799
Phone: (684) 699-9155
Fax: (684) 699-2062
Email: a.galeai@ascc.as or s.galeai@ascc.as
Website: http://www.ascc.as

Commonwealth of the Northern Mariana Islands
Northern Marianas College
Office of the President
P.O. Box 501250
Saipan, MP 96950-1250
Phone: (670) 234-5498
Fax: (670) 234-0759
Email: tonyg@nmcnet.edu
Website: http://www.nmcnet.edu/

Federated States of Micronesia
No records found.

Guam
No records found.

Puerto Rico
Puerto Rico Council on Higher Education
P.O. Box 19900
San Juan, PR 00910-1900
Phone: (787) 724-7100
Fax: (787) 725-1275
Email: ju_reyes@ces.gobierno.pr or mi_wiscovich@ces.gobierno.pr
Website: http://www.ces.gobierno.pr/

Republic of Palau
No records found.

Republic of the Marshall Islands
Republic of the Marshall Islands
RMI Scholarship Grant and Loan Board

P.O. Box 1436
3 Lagoon Road
Majuro, MH 96960
Phone: (692) 625-3108
Fax: (692) 625-7325
Email: misglb@ntamar.net

Virgin Islands
Virgin Islands Board of Education
Charlotte Amalie
P.O. Box 11900
St Thomas, VI 00801
Phone: (340) 774-4546
Fax: (340) 774-3384
Website: http://www.usvi.org/education/

19

Important Terms

Academic Year

A period of time schools use to measure a quantity of study. For example, a school's academic year may consist of a fall and spring semester during which a student must complete 24 semester hours. Academic years vary from school to school and even from educational program to educational program at the same school.

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 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 only tuition and fees and an allowance for books, supplies, transportation, and dependent-care expenses. 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 affects your credit rating for a long time. For example, you might find it very 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're liable for loan collection expenses. If you return to school, you're not entitled to receive additional federal student aid. Legal action also might be taken against you. In many cases, default can be avoided by submitting a request for a deferment, forbearance, or discharge (cancellation) and by providing the required documentation.

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 (Alien Registration Receipt Card)

If you're not in one of these categories, you must be an eligible noncitizen, and 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)
- "Parollee" (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 intend to become a citizen or permanent resident.)

If you have only a Notice of Approval to Apply for Permanent Residence (I-171 or I-464), you aren't eligible for federal student 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 aid.

Also, persons with G series visas (pertaining to international organizations) are not eligible. 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 Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, or

Federal Work-Study. These applicants should check with their schools' financial aid offices 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 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 student 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 Work-Study, Federal Perkins Loan, a Stafford Loan, or your parents can get a PLUS Loan, while you're enrolled in that program.

Financial Aid Package

The total amount of financial aid (federal and nonfederal) a student receives. The financial aid administrator at a postsecondary institution combines various forms of aid into a "package" to help meet a student's need. 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 is eligible for. Also, the amount of federal student aid in a package is affected by other sources of aid received (scholarships, state aid, etc.).

General Education Development (GED) Certificate

A certificate students receive if they've passed a specific, approved high school equivalency test. Students who have a GED can 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 organization that administers the Federal Family Education Loan (FFEL) Program in your state. This agency is the best source of information on FFELs. For the name, address, and telephone number of the agency serving your state, contact the Federal Student Aid Information Center.

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 in 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 in 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.

National Student Loan Data System (NSLDS)

A national database for federal student aid—you can find out about the aid you've already received. (If you've only just applied for aid, you won't find any information on NSLDS yet.) NSLDS receives data from schools, agencies that guarantee loans, 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 or grant amounts, outstanding balances, the status of your loans, and disbursements made. You can access NSLDS at www.nslds.ed.gov.

Promissory Note

The binding legal document you sign when you get a student loan. It lists the conditions under which you're borrowing and the terms under which you agree to pay back the loan. It will include information on how interest is calculated and what the deferment and cancellation provisions are. 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.

Regular Student

One who is enrolled or accepted for enrollment at an institution for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution. Generally, to receive aid from the programs discussed in this Web site, you must be a regular student. (For some programs, there are exceptions to this requirement. See the definition of *eligible program* above.)

Satisfactory Academic Progress

To be eligible to receive federal student 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

To receive federal student aid, if you are a male born on or after January 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. (Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau are exempt from registering.)