

# DO YOU NEED MONEY FOR COLLEGE?

This publication provides basic information on federal student aid to help you pay for college or career school.



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**STUDENTAID.GOV**

## Federal Student Aid

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U.S. DEPARTMENT of EDUCATION

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### What is federal student aid?

It's money from the federal government—specifically, the U.S. Department of Education—that helps you pay for college, career school, or graduate school expenses. More than \$150 billion in federal student aid is available through grants, work-study, and loans every year.

### Who gets federal student aid?

Every student who meets certain eligibility requirements can get some type of federal student aid, regardless of age or family income. If you are a student, some of the most basic eligibility requirements are that you must

- demonstrate financial need (for most programs);
- be a U.S. citizen or an eligible noncitizen;
- have a valid Social Security number;
- be registered with Selective Service if you're a male between the ages of 18 and 25;
- be enrolled or accepted for enrollment in an eligible degree or certificate program;
- be enrolled at least half-time (for most programs);
- maintain satisfactory academic progress in college, career school, or graduate school;
- sign the certification statement on the *Free Application for Federal Student Aid* (FAFSA®) stating that
  - you are not in default on a federal student loan and do not owe money on a federal student grant and
  - you will use federal student aid only for educational purposes; and
- show you're qualified to obtain a college or career school education by
  - having a high school diploma or a General Educational Development (GED) certificate or a state-recognized equivalent; or
  - completing a high-school education in a home-school setting approved under state law; or
  - enrolling in an eligible career pathways program.

Find more details about eligibility requirements at [StudentAid.gov/eligibility](https://studentaid.gov/eligibility).

## How do I apply for federal student aid?

1. Create an FSA ID. Students, parents, and borrowers should create an FSA ID, made up of a username and password, to submit their *Free Application for Federal Student Aid* (FAFSA®) online and to access U.S. Department of Education websites. Your FSA ID is used to confirm your identity and electronically sign your federal student aid documents. To create an FSA ID, visit [StudentAid.gov/fsaid](https://studentaid.gov/fsaid).
2. Complete the *Free Application for Federal Student Aid* (FAFSA®) at [fafsa.gov](https://fafsa.gov).

Completing and submitting the FAFSA is free and quick, and it gives you access to the largest sources of financial aid to pay for college or career school—federal, state, and school sources. If you need a paper FAFSA, contact our ED Pubs Distribution Center at [www.edpubs.gov](https://www.edpubs.gov) or toll-free at 1-877-433-7827.

## When do I complete the FAFSA?

If you plan to attend college from July 1, 2017 through June 30, 2018, you'll be able to submit a 2017–18 FAFSA beginning on Oct. 1, 2016. You'll be required to report income and tax information from 2015.

**NOTE:** *In the past, you couldn't submit the FAFSA until Jan. 1 of the year you planned to attend college. The change to Oct. 1 is a permanent change, and you'll be able to complete and submit your FAFSA as early as Oct. 1 every year.*

## Why should I apply as soon as possible?

Your FAFSA helps you apply for federal, state, and school financial aid. Schools and states often use FAFSA information to award nonfederal aid, and their deadlines vary, so apply as soon as possible. Check with the schools you're interested in to find out about their deadlines. You can find state deadlines at [fafsa.gov](https://fafsa.gov).

## Do I need to apply for financial aid every year?

Yes, you must reapply for aid every year. Also, if you change schools, your aid doesn't automatically transfer with you. Check with your new school to find out what you need to do to continue receiving financial aid. If you're not ready to apply for federal student aid but would like to estimate your aid, visit [StudentAid.gov/fafsa/estimate](https://studentaid.gov/fafsa/estimate) to use *FAFSA4caster*, an early eligibility estimator.

## What information do I report on the FAFSA?

The FAFSA asks for information about you (your name, Social Security number, date of birth, address, etc.) and about your financial situation. A series of questions will also determine whether you must provide information about your parents. The answer depends on whether you're considered a "dependent" or an "independent" student. Learn more about dependency status at [StudentAid.gov/dependency](https://studentaid.gov/dependency). If you have done your taxes before filling out your FAFSA, be sure to consider the option the FAFSA offers you to use the IRS Data Retrieval Tool (IRS DRT). The IRS DRT takes you to the IRS website where you can preview your income and tax information before agreeing to have it transferred to your FAFSA. For more information, visit [StudentAid.gov/irsdrt](https://studentaid.gov/irsdrt).

## Where does my FAFSA information go once I submit it?

Once you submit your FAFSA, your information is shared with the colleges or career schools you included on your FAFSA, and in some cases with your state's higher education agency.

- The financial aid office at the school to which you applied for admission uses your FAFSA information to determine how much federal student aid you may receive at that school.
- If the school has its own funds to use for financial aid, it might use your FAFSA information to determine your eligibility for that aid. (The school might also have other forms it wants you to fill out to apply for aid there, so check with the school's financial aid office to ask about that.)
- Your FAFSA information also goes to the higher education agencies in the states where your chosen schools are located. Many states have financial aid funds that they give out based on FAFSA information.

# TYPES OF FEDERAL STUDENT AID: GRANTS, WORK-STUDY, AND LOANS

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

## Grants: Money that does not have to be repaid. For more information on grants, visit [StudentAid.gov/grants](https://studentaid.gov/grants)

Program and Type of Aid	Eligibility and Program Information	Annual Award Amounts (subject to change)
Federal Pell Grant Grant: does not have to be repaid	For undergraduates with financial need who have not earned bachelor's or professional degrees; in some cases, a student enrolled in a postbaccalaureate teacher certification program may also receive a Federal Pell Grant.  A student can receive a Federal Pell Grant for no more than 12 semesters or the equivalent (roughly six years).	Amounts can change annually.  For 2017–18 (July 1, 2017 to June 30, 2018), the award amount is up to \$5,920.  For Federal Pell Grant details and updates, visit <a href="https://studentaid.gov/pell-grant">StudentAid.gov/pell-grant</a> .
Federal Supplemental Educational Opportunity Grant (FSEOG) Grant: does not have to be repaid	For undergraduates with exceptional financial need; Federal Pell Grant recipients take priority; funds depend on availability at school.	Up to \$4,000.  For FSEOG details and updates, visit <a href="https://studentaid.gov/fseog">StudentAid.gov/fseog</a> .
Teacher Education Assistance for College and Higher Education (TEACH) Grant Grant: does not have to be repaid unless student fails to carry out service obligation	For undergraduate, postbaccalaureate, and graduate students who are completing or plan to complete course work needed to begin a career in teaching. As a condition for receiving this grant, student must sign a TEACH Grant Agreement to Serve in which the student agrees to perform four years of qualifying teaching service and meet other requirements.	Up to \$4,000.  For TEACH Grant details and updates, visit <a href="https://studentaid.gov/teach">StudentAid.gov/teach</a> .
Iraq and Afghanistan Service Grant Grant: does not have to be repaid	For students who are not Pell-eligible due only to having less financial need than is required to receive Pell funds, and whose parent or guardian died as a result of military service in Iraq or Afghanistan after the events of 9/11.  A student can receive an Iraq and Afghanistan Service Grant for no more than 12 semesters or the equivalent (roughly six years).	The grant award can be up to the maximum Federal Pell Grant amount (see above) but cannot exceed your cost of attending school.  For Iraq and Afghanistan Service Grant details and updates, visit <a href="https://studentaid.gov/Iraq-Afghanistan">StudentAid.gov/Iraq-Afghanistan</a> .

## Work-Study: Money that's earned while attending school that does not have to be repaid. For more information on work-study, visit [StudentAid.gov/workstudy](https://studentaid.gov/workstudy).

Federal Work-Study	For undergraduate and graduate students; jobs can be on campus or off campus. Money is earned while attending school.	No annual minimum or maximum amounts.  For Federal Work-Study details and updates, visit <a href="https://studentaid.gov/workstudy">StudentAid.gov/workstudy</a> .
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## Loans: Borrowed money for college or career school. You must repay your loans, with interest. For more information on loans, visit [StudentAid.gov/loans](https://studentaid.gov/loans).

Direct Subsidized Loans Loan: must be repaid with interest	For undergraduate students who have financial need; the U.S. Department of Education generally pays interest while student is in school and during certain other periods; student must be at least half-time. Interest rate is 3.76% for loans first disbursed on or after July 1, 2016, and before July 1, 2017, and fixed for the life of the loan. Borrowers may not receive this type of loan for more than 150 percent of the length of their program of study; the U.S. Department of Education may stop paying interest if a student who received Direct Subsidized Loans for the maximum period continues enrollment.	Up to \$5,500, depending on grade level and dependency status.  For Direct Subsidized Loan details and updates, visit <a href="https://studentaid.gov/sub-unsub">StudentAid.gov/sub-unsub</a> .
Direct Unsubsidized Loans Loan: must be repaid with interest	For undergraduate and graduate or professional students; borrower is responsible for all interest; student must be at least half-time; financial need is not required. Interest rate is 3.76% (undergraduate) and 5.31% (graduate or professional) for loans first disbursed on or after July 1, 2016, and before July 1, 2017, and fixed for the life of the loan.	Up to \$20,500 (less any subsidized amount received for the same period), depending on grade level and dependency status.  For Direct Unsubsidized Loan details and updates, visit <a href="https://studentaid.gov/sub-unsub">StudentAid.gov/sub-unsub</a> .
Direct PLUS Loans Loan: must be repaid with interest	For parents of dependent undergraduate students and for graduate or professional students; borrower is responsible for all interest; student must be enrolled at least half-time; financial need is not required. Interest rate is 6.31% for loans first disbursed on or after July 1, 2016, and before July 1, 2017, and fixed for the life of the loan.	Maximum amount is cost of attendance minus any other financial aid received.  For Direct PLUS Loan details and updates, visit <a href="https://studentaid.gov/plus">StudentAid.gov/plus</a> .
Federal Perkins Loans Loan: must be repaid with interest	For undergraduate and graduate students with exceptional financial need. Interest rate is 5% and fixed for the life of the loan. Eligibility depends on the student's financial need and other eligibility criteria as determined by the school. If you have questions about Perkins Loan eligibility, please contact your school's financial aid office.	Undergraduate students: up to \$5,500; graduate and professional students: up to \$8,000.  For Federal Perkins Loan details and updates, visit <a href="https://studentaid.gov/perkins">StudentAid.gov/perkins</a> .

For more information on interest rates, visit [StudentAid.gov/interest](https://studentaid.gov/interest). For more information on types of federal student aid, visit [StudentAid.gov/types](https://studentaid.gov/types).

## I completed the FAFSA ... Now what?

After you submit your FAFSA, you'll receive a *Student Aid Report (SAR)*, which is a summary of the FAFSA data you submitted.

- You'll get your SAR within three days (if you complete your FAFSA online) to three weeks (if you mail in your paper FAFSA) after you submit your FAFSA.
- Be sure to look over your SAR to make sure you didn't make any mistakes on your FAFSA.
- The SAR won't tell you how much financial aid you'll get; it's a summary of the information being sent to the schools you listed on your FAFSA.
- You might see a note on your SAR saying you've been selected for verification; or your school might contact you to inform you that you've been selected. Verification is the process your school uses to confirm that the data reported on your FAFSA is accurate. Don't worry, your school will help you through that process.
- If you don't need to make any changes to the information listed on your SAR, just keep it for your records.
- To find out how to correct mistakes, or update your tax return or other information in your FAFSA, visit [StudentAid.gov/fafsa/next-steps/accept-aid](https://studentaid.gov/fafsa/next-steps/accept-aid) or contact the school you are applying to for instructions.
- Next, expect to receive an award letter from the schools at which you were accepted for admission.

## What's an award letter?

If you applied for admission to a college or career school and have been accepted (although not all schools require students to be accepted before telling them of their eligibility for aid), and you listed that school on your FAFSA, the school will calculate your aid and send you an electronic or paper "award letter" telling you how much aid you're eligible to receive at that school.

The timing of the award letter varies from school to school and could be as early as springtime (awarding for the fall) or as late as immediately before you start school. It depends on when you apply and how the school prefers to schedule awarding of aid.



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## How much will I get?

When a school's financial aid office sends you an award letter, the letter will list the types of aid and amounts (from all sources) the school will offer you.

How much aid you receive depends on a number of factors, including

- cost of attendance (for each school);
- Expected Family Contribution (EFC)—(EFC does not represent a dollar amount but rather it is a number used to calculate how much financial aid you're eligible to receive based on the information in your FAFSA);
- year in school; and
- enrollment status (that is, full-time, half-time, etc.).

You can compare aid offers from the schools to which you applied and see which school is the most affordable once financial aid is taken into account. Keep in mind that the financial aid office at the school will determine how much financial aid you're eligible to receive. Contact the school's financial aid office if you have any questions about your award letter or the aid being offered to you.

For more information on how aid is calculated, visit [StudentAid.gov/how-calculated](https://studentaid.gov/how-calculated).

## Should I accept all the aid I'm offered?

You don't have to. When your school's financial aid office sends you an award letter, they'll ask you to indicate the financial aid you want to accept. Look carefully at your options and make sure you accept only what you need. A good approach is to

- first, accept free money (scholarships and grants), i.e., funds you don't have to pay back;
- then, accept earned money (work-study), i.e., funds you earn through a job; and
- finally, accept borrowed money (student loans), i.e., money you have to pay back with interest.

Look carefully at your options, especially when it comes to loans that you'll have to pay back. For more details on accepting aid, visit [StudentAid.gov/fafsa/next-steps/accept-aid](https://studentaid.gov/fafsa/next-steps/accept-aid).

## How will I receive my aid?

Your college or career school—not the U.S. Department of Education—will distribute your aid and, in most cases, your federal student aid will be applied directly to your school account. The financial aid staff at your school will explain exactly how and when your aid will be disbursed (paid out).

If you're getting federal student loans for the first time, you must complete entrance counseling and sign a master promissory note before you receive your loan money.



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## Contact Us

### U.S. Department of Education

Federal Student Aid Information Center (FSAIC)  
P.O. Box 84  
Washington, DC 20044-0084  
1-800-4-FED-AID (1-800-433-3243)  
TTY users can call 1-800-730-8913.  
Callers in locations without access to 1-800 numbers may call 1-334-523-2691 (this is not a toll-free number).

### Stay Connected

Access your federal student loan information at [StudentAid.gov/login](https://StudentAid.gov/login)

Information for U.S. armed forces  
[StudentAid.gov/military](https://StudentAid.gov/military)



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The information in this guide was compiled in summer 2016. For changes to federal student aid programs since then, visit [StudentAid.gov](https://StudentAid.gov).

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## Do I have to repay my loans?

Yes. Student loans, unlike grants and work-study, are borrowed money that must be repaid, with interest, just like car loans and home mortgages. You cannot have these loans canceled because you didn't like the education you received, didn't get a job in your field of study, or are having financial difficulty. So think about the amount you'll have to repay before you take out a loan.

- While you don't have to make payments on your student loans while you're enrolled in an eligible school, you don't have to wait until you graduate to start repaying your loans. For detailed information on repayment, visit [StudentAid.gov/repay](https://StudentAid.gov/repay).
- You can use our repayment estimator to estimate your federal student loan payments under each repayment plan. Visit [StudentAid.gov/repayment-estimator](https://StudentAid.gov/repayment-estimator) to use the tool.

## What else do I need to remember when applying for financial aid?

- Free help is available any time during the application process. Online help is available while you complete your application at [fafsa.gov](https://fafsa.gov), and you can get free information and help from your school counselor, the financial aid office at the school you plan to attend, or the U.S. Department of Education at [StudentAid.gov](https://StudentAid.gov) or 1-800-4-FED-AID (1-800-433-3243). You should never have to pay for help!
- Your *Student Aid Report* (SAR) has to be correct to ensure that you receive your aid. The U.S. Department of Education will send you your SAR. Review it and, if necessary, make changes or corrections following the instructions in the SAR.
- Be sure to always respond to any correspondence your school sends you.
- Review award letters, compare the types and amounts of aid you are offered from each school, and contact the school's financial aid office if you have any questions about the aid being offered.