

FEDERAL FINANCIAL AID PROGRAMS

While the list here does not represent an exhaustive list of all federal financial aid programs, we have highlighted those programs most popular with our families. Students and parents demonstrate eligibility for these programs by completing the FAFSA, the Free Application for Federal Student Aid.

FEDERAL PELL GRANT: A federal program, which awards up to \$7,395 for the 2023-2024 award year to families with exceptional need.

WILLIAM D. FORD FEDERAL DIRECT SUBSIDIZED LOAN: A need-based, low-interest loan program. There is a fixed interest rate of 5.5% for loans disbursed between July 1, 2023 and June 30, 2024. Interest rates may change for the 2024-2025 school year.

Maximum annual loan amounts* are:

Freshmen	\$3,500
Sophomore	\$4,500
Juniors, Seniors (per year)	\$5,500
Subsequent Undergrad Years	\$5,500

*In addition, students may borrow an additional \$2,000 for each grade level as an unsubsidized loan. [See below for information on these loans.] These limits apply to a combination of both subsidized and unsubsidized Stafford loans. Maximum total debt from Stafford loans for an undergraduate degree is \$31,000 [but only \$23,000 can be in subsidized loans.]

With a subsidized loan, the government pays the interest on the student's behalf while the student is in school and during any authorized deferment periods. Students repay the subsidized William D. Ford Federal Subsidized Loan back over a period of 10 to 25 years on a monthly basis.

Students demonstrate eligibility for this program by completing the FAFSA.

WILLIAM D. FORD FEDERAL DIRECT UNSUBSIDIZED LOAN: A non-need-based, low-interest loan program. Only available to students who are not eligible for a full subsidized Federal Stafford Loan.

The interest rate as of July 1, 2023 is 5.5% for the life of the loan. Maximum loan amounts are the same as above for dependent students. Interest begins shortly after funds are disbursed but can be added to the principal balance of the loan. Repayment of the balance begins 6 months after the student leaves school or graduates. Students repay the unsubsidized Federal Stafford Loan back over a period of 10 to 25 years on a monthly basis.

Students apply for this program by completing a FAFSA to demonstrate ineligibility for a full subsidized Federal Stafford Loan.

FEDERAL DIRECT PLUS LOAN for PARENTS: Loan for parents of dependent undergraduate students, not based on financial need. Parents may borrow up to the cost of attendance at the school minus any financial aid. The amount a parent may borrow is subject to a credit check. These are conventional loans, with repayment beginning within 60 days; parents have from 10 to 25 years to repay these loans. However, parents may request a deferment of repayment while their student is in college and repayment begins six months after the student leaves college. During that time, interest accrues on the loan.

The current interest rate is fixed at 8.05% for loans disbursed between July 1, 2023 and June 20, 2024. Interest rates may change for the 2024-2025 school year.

Parents must file a FAFSA to determine if the family is eligible for any other aid.

FEDERAL WORK STUDY: Students work a set number of hours each week on campus (usually 10 to 20 hours/week) and are paid at least minimum wage. The money is either deducted from a student's bill or is paid directly to the student for miscellaneous expenses.

FINANCIAL AID FORMS

All federal and state aid programs utilize the same federal core methodology to determine a family's eligibility for financial aid. Families need to file a **Free Application for Federal Student Aid (FAFSA)** to determine eligibility. Since public universities have only federal dollars to spend, if your child is planning to attend a public university, you need only file the FAFSA.

The federal core methodology does not factor in home equity, medical deductions, or elementary and secondary tuition paid for students other than the aid applicant. Today's financial aid process is really very much income-driven; assets do not matter as much as your family's annual income.

A number of private schools still consider the value of the above or additional factors when disbursing campus dollars (any monies directly available from the school itself and not funded from the federal or state governments). Therefore, schools may require families to register with the College Scholarship Service, which is the financial aid division of the College Board in order to complete the **CSS PROFILE** form. Not all schools require this form, so please call or email the school's admission or financial aid office! CSS Profile registration forms are available through the College Board web page at <http://www.collegeboard.com>.

Schools may also require families to fill out an **institutional** form (written by the institution) that will provide them with additional information not available on the FAFSA. Please contact the school to secure a form, if necessary.