

# 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

An OFFICE of the  
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. 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®)* form 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?

To apply for federal student aid, you need to complete the FAFSA® form at [fafsa.gov](http://fafsa.gov).

Students and parents are required to use an FSA ID, made up of a username and password, to submit their FAFSA form online and to access sensitive information on U.S. Department of Education websites. Your FSA ID is used to confirm your identity and electronically sign your federal student aid documents. Your FSA ID has the same legal status as a written signature. Don't give your FSA ID to anyone or allow anyone to create an FSA ID for you. To create an FSA ID, visit [StudentAid.gov/fsaid](http://StudentAid.gov/fsaid).

Completing and submitting the FAFSA form 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 form, request one at [edpubs.gov](http://edpubs.gov) or call toll free at 1-877-433-7827.

## When should I apply for federal student aid?

If you plan to attend college from July 1, 2018, through June 30, 2019, you'll be able to submit a 2018–19 FAFSA form beginning on Oct. 1, 2017. You'll be required to report income and tax information from 2016.

## Why should I apply as soon as possible?

When you fill out a FAFSA form, you are applying 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](http://fafsa.gov).

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

Yes, you must reapply for aid every year.

## What happens to my aid if I change schools?

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.

## Can I find out how much I'll get before I apply?

If you're not ready to apply for federal student aid, but would like to estimate your aid, visit [StudentAid.gov/fafsa/estimate](http://StudentAid.gov/fafsa/estimate) to learn about and use *FAFSA4caster*, an early eligibility estimator.

## What information do I report on the FAFSA® form?

The FAFSA form 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 are considered a "dependent" or an "independent" student. If you are a dependent student, then you must provide information about your parents. Learn more about dependency status at [StudentAid.gov/dependency](http://StudentAid.gov/dependency).

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

Your FAFSA information is shared with the colleges or career schools you listed on your form, and with state higher education agencies. Here's why:

- The financial aid office at each 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 provides its own funds to students as nonfederal aid, it might use your FAFSA information to determine your eligibility for that aid. (You might need to fill out other forms to apply for aid there, so check with the school's financial aid office.)
- Many states have financial aid funds they give out, and many of their programs base eligibility on FAFSA information.



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

GRANTS	
Program and Type of Aid	Eligibility and Program Information
<p><b>Federal Pell Grant</b> Grant: does not have to be repaid</p>	<p>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).</p>
<p><b>Federal Supplemental Educational Opportunity Grant (FSEOG)</b> Grant: does not have to be repaid</p>	<p>For undergraduates with exceptional financial need. Federal Pell Grant recipients take priority; funds depend on availability at school.</p>
<p><b>Teacher Education Assistance for College and Higher Education (TEACH) Grant</b> Grant: does not have to be repaid unless converted to a Direct Unsubsidized Loan for failure to carry out teaching service obligation as promised</p>	<p>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, a student must sign a <i>TEACH Grant Agreement to Serve</i> in which the student agrees to perform four years of qualifying teaching service and meet other requirements.</p>
<p><b>Iraq and Afghanistan Service Grant</b> Grant: does not have to be repaid</p>	<p>For students who are not Pell-eligible only because they have less financial need than is required to receive Pell funds. A student's parent or guardian must have 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).</p>
WORK-STUDY	
<p><b>Federal Work-Study</b> Work-Study: money is earned; does not have to be repaid</p>	<p>For undergraduate and graduate students; part-time jobs can be on campus or off campus. Money is earned while attending school.</p>
LOANS	
<p><b>Direct Subsidized Loan</b> Loan: must be repaid with interest</p>	<p>For undergraduate students who have financial need; the U.S. Department of Education generally pays interest while the student is in school and during certain other periods; a student must be enrolled at least half-time. The interest rate is 4.45% for loans first disbursed on or after July 1, 2017, and before July 1, 2018, 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.</p>
<p><b>Direct Unsubsidized Loan</b> Loan: must be repaid with interest</p>	<p>For undergraduate and graduate or professional students; the borrower is responsible for interest during all periods; a student must be enrolled at least half-time; financial need is not required. The interest rate is 4.45% (undergraduate) and 6% (graduate or professional) for loans first disbursed on or after July 1, 2017, and before July 1, 2018, and fixed for the life of the loan.</p>
<p><b>Direct PLUS Loan</b> Loan: must be repaid with interest</p>	<p>For parents of dependent undergraduate students and for graduate or professional students; the borrower is responsible for interest during all periods; a student must be enrolled at least half-time; financial need is not required; the borrower must not have an adverse credit history. The interest rate is 7% for loans first disbursed on or after July 1, 2017, and before July 1, 2018, and fixed for the life of the loan.</p>
<p><b>Federal Perkins Loan</b> Loan: must be repaid with interest</p>	<p>For undergraduate and graduate students with exceptional financial need. The 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.</p>
ANNUAL AWARD AMOUNTS (SUBJECT TO CHANGE)	
	<p>Amounts can change annually. For 2017–18 (July 1, 2017, to June 30, 2018), the award amount was up to \$5,920. For Federal Pell Grant details and updates, visit <a href="http://StudentAid.gov/pell-grant">StudentAid.gov/pell-grant</a>. Up to \$4,000. For FSEOG details and updates, visit <a href="http://StudentAid.gov/fseog">StudentAid.gov/fseog</a>. Up to \$4,000. For TEACH Grant details and updates, visit <a href="http://StudentAid.gov/teach">StudentAid.gov/teach</a>. 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="http://StudentAid.gov/iraq-afghanistan">StudentAid.gov/iraq-afghanistan</a>. No annual minimum or maximum amounts. For Federal Work-Study details and updates, visit <a href="http://StudentAid.gov/workstudy">StudentAid.gov/workstudy</a>. Up to \$5,500, depending on grade level and dependency status. For Direct Subsidized Loan details and updates, visit <a href="http://StudentAid.gov/sub-unsub">StudentAid.gov/sub-unsub</a>. Up to \$20,500 (less any subsidized amounts received for the same period), depending on grade level and dependency status. For Direct Unsubsidized Loan details and updates, visit <a href="http://StudentAid.gov/sub-unsub">StudentAid.gov/sub-unsub</a>. Maximum amount is the cost of attendance minus any other financial aid received. For Direct PLUS Loan details and updates, visit <a href="http://StudentAid.gov/plus">StudentAid.gov/plus</a>. Undergraduate students: up to \$5,500; graduate and professional students: up to \$8,000. For Federal Perkins Loan details and updates, visit <a href="http://StudentAid.gov/perkins">StudentAid.gov/perkins</a>.</p>

For more information on interest rates, visit [StudentAid.gov/interest](http://StudentAid.gov/interest). For more information on the different types of federal student aid available, visit [StudentAid.gov/types](http://StudentAid.gov/types).

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

After you submit your FAFSA form, you'll receive a *Student Aid Report* (SAR) that summarizes the data you submitted. If you provided a valid email address in your application, you'll receive an email with instructions on how to access an online copy of your SAR within three days (if you apply at [fafsa.gov](https://fafsa.gov)) or three weeks (if you mail in a paper FAFSA form). The SAR won't tell you how much financial aid you'll get; it's a summary of the information sent to the schools you listed on your FAFSA form.

When you receive your SAR, review it to make sure you didn't make any mistakes on your FAFSA form.

- 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 FAFSA data you reported 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 to update your tax data or other information in your FAFSA form, visit [StudentAid.gov/fafsa/next-steps/accept-aid](https://StudentAid.gov/fafsa/next-steps/accept-aid), or contact the school to which you are applying.
- Next, expect to receive an aid offer from the schools at which you were accepted for admission.

## What's an aid offer?

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 form, the school will calculate your aid and send you an aid offer (often electronically). The aid offer will tell you how much aid you're eligible to receive at that school.



## How much will I get?

When a school's financial aid office sends you an aid offer, the offer includes the types and amounts of financial aid you may receive from federal, state, private, and school sources. This combination of aid is your financial aid package.

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 is a number used to calculate how much financial aid you're eligible to receive based on your FAFSA information);
- year in school; and
- enrollment status (e.g., 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. Contact the school's financial aid office if you have any questions about 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 aid offer, they'll ask you to indicate the amount of 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.

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

Look carefully at your options, especially when it comes to loans, which 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).

Any money left over is paid to you for other expenses. You might be able to choose whether the leftover money comes to you by check, cash, a credit to your bank account, or another method.

## 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 at least half-time 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](http://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](http://StudentAid.gov/repayment-estimator) to use the tool.

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

Here are some tips to keep in mind:

- Free help is available any time during the application process. Online help is available while you complete your application at [fafsa.gov](http://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](http://StudentAid.gov) or 1-800-4-FED-AID (1-800-433-3243). You should never have to pay for help!
- Your FAFSA information has to be correct to ensure that you receive your aid promptly and in the right amount. When the U.S. Department of Education sends you your *Student Aid Report (SAR)*, review it and, if necessary, make changes or corrections following the instructions in the SAR.
- Always respond to (or act upon) any correspondence your school sends you—and meet all deadlines.
- Compare the types and amounts of aid you're offered from each school, and contact a school's financial aid office if you have any questions about the aid being offered.



## Contact Us

**U.S. Department of Education**  
Federal Student Aid Information Center (FSAIC)  
Box 84  
Washington, D.C. 20044-0084  
1-800-4-FED-AID (1-800-433-3243)  
TTY for the hard of hearing: 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).

The information in this guide was compiled in spring 2017. For changes to the federal student aid programs since then, visit [StudentAid.gov](http://StudentAid.gov).

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### Stay Connected

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

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

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