

UNDERSTANDING FINANCIAL AID

TYPES OF FINANCIAL AID



TIPS FOR SUCCESS



GRANTS:

- Free money that does not have to be paid back
- Pell Grant may be up to \$6,195 during the 2019-2020 academic year
- FAFSA completion required



SCHOLARSHIPS:

- Free money that does not have to be paid back
- Provided by private donors and community organizations
- Apply for each individually
- FAFSA completion may be required



WORK-STUDY:

- Pay for work that goes toward college costs
- Federally funded, need-based program that allows the student to obtain a position on campus or with a business affiliated with the college
- FAFSA completion required



FEDERAL LOANS:

- Must be paid back, typically with interest*
- Students and parents can borrow money from the federal government
- There are 3 types of federal loans available:
 - **Direct Subsidized Loans:** No interest while enrolled at least half-time
 - **Direct Unsubsidized Loans:** With interest while enrolled at least half-time
 - **Direct PLUS Loans:** With interest while enrolled at least half-time
- FAFSA completion required

BANK AND PRIVATE LENDER LOANS:

(Not part of the federal loan system or eligible for loan forgiveness)

- Double check to ensure favorable interest rate and terms
- Credit check required

**Interest is the additional money owed to a lender for allowing you to use their money until you pay it back. It is usually calculated as a percentage of the amount borrowed, so the lower the percentage rate, the better.*