

Federal Title IV Sources of Financial Aid*

Program	Category of Aid	Application Made By	Award Determined By	Aid Recipient	Annual Award Limits	Need-Based	Disbursement Made By	Repayment Required
"Foundation" of Federal Financial Aid								
Federal Pell Grant	Grant	FAFSA	ED's Payment Schedule	Undergraduate ¹	\$2,470 (1996-97)	Yes	School	No
Campus-Based Programs								
FSEOG	Grant	FAFSA	Federal regulations, school's financial aid policy, and available funds	Undergraduate ¹	\$4,000	Yes, priority to students with lowest EFCs who are Pell Grant recipients	School	No
FWS	Employment	FAFSA	Federal regulations, school's financial aid policy, and available funds ²	Undergraduate Graduate Professional	None ³ None ³ None ³	Yes	School	No
Federal Perkins Loan	Loan	FAFSA	Federal regulations, school's financial aid policy, and available funds	Undergraduate Graduate Professional	\$3,000 ⁴ \$5,000 ⁴ \$5,000 ⁴	Yes	School, after student signs the promissory note	Yes ⁵

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*See page 2B-5 for footnotes.

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Federal Direct Loan Program⁶								
Federal Direct Loan—Subsidized⁷	Loan	FAFSA	Federal regulations	1st-year Undergraduate	\$2,625 ⁸	Yes	School	Yes ⁵
				2nd-year Undergraduate	\$3,500 ⁸			
				3rd-year (and higher) Undergraduate	\$5,500 ⁸			
				Graduate/ Professional	\$8,500			
Federal Direct Loan—Unsubsidized⁷	Loan	FAFSA	Federal regulations	Dependent Undergraduate	Same as subsidized, not to exceed annual maximums ⁹	No	School	Yes ⁵
				Independent Undergraduate				
				• 1st and 2nd years	\$4,000 ^{8,9}			
				• 3rd year or higher	\$5,000 ^{8,9}			
				Graduate/ Professional	\$10,000 ⁹			

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Federal Direct Loan Program (continued)⁶								
Federal Direct PLUS Loan	Loan	A separate PLUS application ¹⁰	Federal regulations	Parent of a dependent undergraduate enrolled in an eligible program at least half time	Limited to COA minus all other aid	No ¹¹	School disburses funds to parent borrower	Yes ¹²
Federal Family Education Loan Program⁶								
Federal Stafford Loan—Subsidized⁷	Loan	FAFSA and a separate lender application	Federal regulations	1st-year Undergraduate	\$2,625 ⁸	Yes	Lender disburses loan; school delivers funds to borrower	Yes ⁵
				2nd-year Undergraduate	\$3,500 ⁸			
				3rd-year (and higher) Undergraduate	\$5,500 ⁸			
				Graduate/ Professional	\$8,500 ⁸			

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Federal Family Education Loan Program (continued)⁶								
Federal Stafford Loan—Unsubsidized⁷	Loan	FAFSA	Federal regulations	Dependent Undergraduate Independent Undergraduate • 1st and 2nd years • 3rd year or higher Graduate/ Professional	Same as subsidized, not to exceed annual maximums ⁹ \$4,000 ^{8,9} \$5,000 ^{8,9} \$10,000 ⁹	No	Lender disburses loans; school delivers funds to borrower	Yes ⁵
Federal PLUS Loan	Loan	A separate application ¹⁰	Federal regulations	Parent of a dependent undergraduate enrolled in an eligible program	Limited to COA minus all other aid	No ¹¹	Lender disburses loans; school delivers funds to parent borrower	Yes ¹²

				at least half time				
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Notes

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| <ol style="list-style-type: none"> 1. A student can't have a previous bachelor's, graduate, or professional degree. 2. The student can work for designated on-campus and off-campus employers, as well as for employers that provide community service. 3. The student's salary must be at least federal minimum wage. 4. Loan limits are somewhat higher for schools with low default rates that participate in the Extended Lending Option (ELO). 5. Repayment of a Federal Perkins Loan begins nine months after the borrower ceases to be enrolled at least half time. Repayment of Federal Direct Loans and Federal Stafford Loans (subsidized and unsubsidized) begins six months after the borrower ceases to be enrolled at least half time. 6. The FFEL Program and Direct Loan Program are very similar; however, students and parents may borrow from only one program (not both) for the same student for the same enrollment period. 7. Subsidized means that the loan interest is covered by the federal government while the borrower is enrolled at least half time and during periods of deferment. Unsubsidized means that the loan interest accrues during the life of loan. The borrower may choose to pay the interest that accrues while in school or the accrued | <ol style="list-style-type: none"> 8. These are the maximum annual loan limits for undergraduate programs or enrollment periods equal to a full academic year. Loan amounts are prorated for undergraduate programs or enrollment periods that are less than an academic year. Loans for graduate students are not prorated. 9. Most dependent students may not borrow more in a combination of subsidized and unsubsidized Federal Direct or FFEL Program loans than the base maximums. Dependent undergraduates whose parents cannot obtain PLUS Loans, independent undergraduates, and graduate students may borrow additional amounts in unsubsidized loans. 10. The FAFSA does not have to be completed for PLUS Loans if this is the only type of aid the student receives. 11. The parent borrower cannot have an adverse credit history; however, the parent can be eligible to borrow based on an accepted appeal or with an endorser without an adverse credit history. 12. The first payment of principal and interest is due within 60 days after the loan is fully disbursed. |
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interest may be added to the total amount borrowed. (This is called capitalization.)
Unsubsidized loans are **MORE COSTLY** than subsidized loans.