

Session 2 - Overview of the Title IV Programs

By the end of this session, you will be able to:

- *explain the difference between a grant and a loan,*
- *recognize the basic facts about the Title IV programs, and*
- *locate specific information in The Student Guide.*

RESOURCES

- *The 1997-98 Federal Student Financial Aid Handbook, Chapter 1*
- *The 1997-98 Student Guide*

SESSION CONTENTS

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NEED TO KNOW

Insert T IV Programs Chart

Insert Summary Chart

PRACTICE

Title IV Quiz

Referring to your copy of *The 1997-98 Student Guide*, answer the questions listed below.

1. What is the basic difference between a grant and a loan?

Grant: _____

Loan: _____

2. What is the maximum Pell Grant award for 1996-97? \$_____
- For 1997-98? \$_____

3. How often must a school disburse a Pell Grant award to a student during an academic year?

4. What is the source of funds for Direct Loans? How about for Federal Family Education Loans?

5. What are the differences between a subsidized loan and an unsubsidized loan?

6. What is the largest loan a first-year, dependent student may borrow? \$_____

PRACTICE (cont'd)

7. If Susan is receiving \$2,000 in financial aid, and the cost of attendance is \$8,000, how much PLUS Loan can her parents borrow? \$_____
8. Why might the amount of an FSEOG, FWS, or Perkins Loan a student can receive depend on **when** the student applies for Title IV aid?

9. What's a major difference between an FSEOG and a Federal Pell Grant?

10. Where can FWS jobs be located?

11. Who does a Perkins Loan borrower repay? _____

BACK AT THE OFFICE

Back at the office, you should:

- Read *The Student Guide*.
- Keep Title IV program charts handy for reference.

- _____

- _____

- _____

ANSWER KEY

Title IV Quiz

1. What is the basic difference between a grant and a loan?

A grant does not have to be paid back, but students must pay back a loan. Grants are often referred to as “gift aid” and loans as “self-help aid.”

2. What is the maximum Pell Grant award for 1996-97? \$2,470.
For 1997-98? \$2,700.
3. How often must a school disburse a Pell Grant award to a student during an academic year?

At least once per term for standard-term schools and at least twice during the award year for schools that do not use standard terms.

4. What is the source of funds for Direct Loans? How about for Federal Family Education Loans?

For the Direct Loan Program, Department of Education is the source of funds. It pays students through the school, with the school disbursing loan proceeds to the students. For the FFEL Program, private lenders (guaranty agencies, banks, and credit unions) are the source. They disburse student loan proceeds to the school. The school then delivers the funds to the students.

5. What are the differences between a subsidized loan and an unsubsidized loan?

A subsidized loan is based on financial need; the unsubsidized is not. The government will pay (or not charge) interest while the student is in school or in school or in deferment for the subsidized loan. An unsubsidized loan accrues interest that will be paid by the borrower from the time the loan is made until it is repaid in full.

6. What is the largest loan a first-year, dependent student may borrow? \$2,625.
7. If Susan is receiving \$2,000 in financial aid, and the cost of attendance is \$8,000, how much PLUS Loan can her parents borrow? \$6,000.

ANSWER KEY (cont'd)

8. Why might the amount of an FSEOG, FWS, or Perkins Loan a student can receive depend on **when** the student applies for Title IV aid?

Because limited campus-based funds are available at each school, no funds may be available for an applicant who applies late in the award year.

9. What's a major difference between an FSEOG and a Federal Pell Grant?

ED guarantees eligible students will receive a Federal Pell Grant, but there's no guarantee that every eligible student will receive an FSEOG.

10. Where can FWS jobs be located?

FWS job placement may be with an eligible on-campus employer or off-campus employer, or it may be in community-service work. Jobs off-campus tend to be for private, nonprofit organizations or public agencies.

11. Who does a Perkins Loan borrower repay?

The school. Since Perkins is a campus-based program (which means it is administered by the school), the student must repay the school.