

# Financial Assistance Programs

Each college or each organization granting financial assistance to students determines procedures and guidelines. Information and applications for financial aid may be obtained from the college's website.

NEED ASSESSMENT: Colleges have different financial aid requirements. Do what each institution and program requires. All students applying for federal financial aid must complete the Free Application for Federal Student Aid (FAFSA). Some colleges, universities and scholarship programs will also require the "CSS Financial Aid PROFILE" to award their institutional or private funds to students. FAFSA worksheets are available in the Guidance Department in December and applications are on-line in January at [www.fafsa.ed.gov](http://www.fafsa.ed.gov). The FAFSA should be completed as soon as possible after January of your senior year. CSS PROFILE applications are available online at [www.collegeboard.org](http://www.collegeboard.org).

## FINANCIAL AID PROGRAMS

**Financial Aid can be divided into four major categories- grants, loans, jobs, and scholarships. Students may qualify for one or all of a school's available financial aid programs. Below is a brief description of each financial aid program:**

### GRANTS

A Grant is a "gift" to assist the student in school costs. The award of money does not have to be repaid, and students must meet eligibility requirements in order to receive a grant.

(A) The largest federal grant program is the Pell Grant. The amount a student receives is determined by a standard government formula, student's enrollment status (full time or part time), and the cost of attendance at the school the student attends. To apply, students should indicate on the FAFSA that they want to be considered for this grant. Applications will be available in the Guidance Department in December or online in January.

(B) The Supplemental Educational Opportunity Grant (SEOG) is a second grant program also funded by the federal government. Most schools have a limited amount of funding available, and SEOG is generally awarded to students demonstrating the most need.

(C) Veterans and their Dependents: May be eligible for financial assistance. Students desiring additional information should consult their local county Veteran's Service Officer.

(D) Alabama Student Grant Program: Many colleges also offer state funded grants. If you choose to attend a private college in the state of Alabama, you should apply for the Alabama State Grant Program. Grant amounts vary each year depending on the number of qualified students. Applications are available through the Financial Aid Offices at participating colleges.

## **LOANS**

An educational loan is exactly what the name implies – a loan. The student who receives a loan is entering into a binding agreement to repay the amount of the principal borrowed plus any interest accrued. Only in certain limited situations may a student receive a cancellation or deferment on an educational loan. Students should read all promissory notes and related information carefully before accepting a loan.

(A) Perkins Loan: A Federal Perkins Loan is a low-interest loan for both undergraduate and graduate students with exceptional financial need. Perkins Loans are made through a college's Financial Aid Office-the school is the lender and the loan is made with government funds. You can apply for this loan only through the Financial Aid Office at the college of your choice.

(B) Stafford Loan Program: Eligible students may borrow from any participating lender up to \$5,500 for a first year undergraduate or \$6,500 a year for a 2<sup>nd</sup> year undergraduate, \$7,500 a year if you have completed two years of study or more, and a state or other private nonprofit agency will stand behind the loan. Some rates begin six to twelve months after the student graduates, leaves school, or drops below half-time enrollment.

(C) Parent Loans to Undergraduate Student (PLUS): A parent with a good credit history can borrow to pay the education expenses of each child who is a dependent undergraduate student enrolled at least half time. The yearly limit on PLUS Loans is equal to your cost of attendance minus any other financial aid for which you are eligible. The interest rate is variable. Repayment and interest begin 60 days following the date of loan disbursement.

(D) Nursing and Health Professions: There are special financial aid programs for students in health and health-related fields. If you plan to study in these areas, ask the financial aid administrator at your college for more information.

More information about federal programs is available in "Funding Education Beyond High School," a financial aid booklet from the U. S. Department of Education, which gives a good outline of the federal financial aid programs and your rights and responsibilities under these programs. It can be accessed online by entering the title in your search engine.

## **WORK STUDY**

Work opportunities provided by the institution to help students meet educational expenses are mutually beneficial to both the school and the student. Students gain valuable work experience while the institution has a ready supply of student assistants. It may be wise to point out to students that a campus job-even one awarded through the Financial Aid Office-is a job. The student is expected to work the assigned hours and is paid only for those hours actually worked. Studies have been done which indicate that students (even freshmen) who work no more than 20 hours per week do as well or better than students who do not work. Students with good computer skills have very little difficulty in finding a job on campus.

(A) College Work Study Program is funded through federal and institutional sources. Students are paid at least the minimum wage for the number of hours they actually work. The amount a student is allowed to work depends on the amount of financial need demonstrated.

(B) Most campuses also have an Institutional Work Program funded entirely by institutional funds. Eligibility requirements are determined solely by the institution.

(C) Cooperative Education is a work program gaining in popularity with students. Generally, a student attends school for a period of time and alternately works full time at a job secured through the campus Cooperative Education Office. Contact the school for more information on this program.