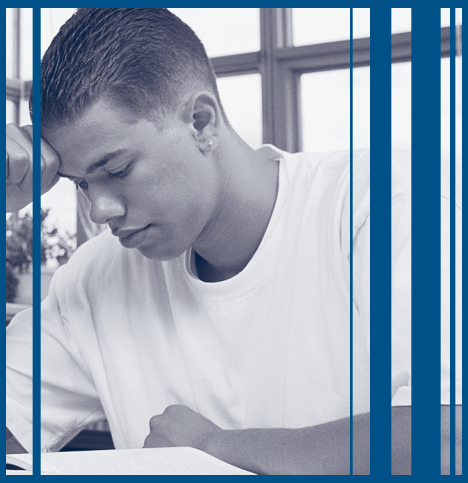
high school seniors/college students

the student guide

Financial Aid from the U.S. Department of Education

2005-2006



Web Sites

Useful Web Sites

Student Aid on the Web . . . . . **www.studentaid.ed.gov**

- Find more information on federal student aid and access sources of nonfederal aid.
- Apply online using *FAFSA on the Web* (the online version of the *Free Application for Federal Student Aid* [FAFSA]).
- Obtain a PIN (a personal identifying number; makes applying online faster).
- Get information to help you decide on a career and locate schools offering majors in that field. Then apply to various schools online without leaving the site.
- Using "MyFSA," create a personalized folder to record your interests, career and college searches, and any relevant personal information. Use "MyFSA" to track your progress in the college or career school planning and application process.

Free help completing the FAFSA . . . . . **www.studentaid.ed.gov/completefafsa**

Direct Loan Web site . . . . . **www.ed.gov/DirectLoan**

U.S. Department of Labor's *Occupational Outlook Handbook* (information on various careers and potential earnings in each) . . . . . **www.bls.gov/oco**

Contact Info

Frequently Requested Telephone Numbers and Contact Information

Federal Student Aid Information Center (FSAIC) . . . . . **1-800-4-FED-AID (1-800-433-3243)**

TTY users (for the hearing-impaired) can call **1-800-730-8913**

Callers in locations without access to 800 numbers may call . . . . . **1-319-337-5665** (this is not a toll free number)

The FSAIC staff can answer your student aid questions and can give you all the help you need—FREE—including

- information about federal student aid programs;
- help completing the FAFSA;
- help in making corrections to your *Student Aid Report* (SAR)—the document that contains your application results;
- information about the process of determining financial need and awarding aid; and
- information about your federal student loans.

You can use the FSAIC's automated response system to find out if your FAFSA application has been processed and to request a copy of your SAR.

You can also write to the Federal Student Aid Information Center:

Federal Student Aid Information Center
P.O. Box 84
Washington, DC 20044-0084

Direct Loan Borrower Services **1-800-848-0979**

TTY users can call **1-800-848-0983**

Direct Consolidation Loan Information **1-800-557-7392**

TTY users can call **1-800-557-7395**

Office of Inspector General

To report student aid fraud (including identity theft), waste, or abuse of U.S. Department of Education funds

call . . . . . **1-800-MIS-USED (1-800-647-8733)**

e-mail . . . . . **oig.hotline@ed.gov**

visit . . . . . **www.ed.gov/misused**

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***The Student Guide* is free.**

If you paid for a copy of this publication, please write to the following address and give us the name and address of the organization that charged you.

Federal Student Aid Information Center
P.O. Box 84
Washington, DC 20044-0084

The English and Spanish versions of *The Student Guide* are available online at **www.studentaid.ed.gov/pubs.**

Applying for federal student aid is also free, and you can get free help to complete your application, if you need it (see page 14).

Federal Student Aid at a Glance

Need help paying for college or for a career school? The first three pages of this guide are a quick reference to federal student aid programs and how to apply; the rest of the publication provides more of what you need to know.

Most student financial aid comes from the federal government programs you'll read about here, which the U.S. Department of Education's Federal Student Aid (FSA) office administers. For additional sources of student financial aid, see page 4.

Beware of scams and services that will search for financial aid money for you for a fee. A law protects you from this type of fraud (see page 6 for more information).

Applying for student aid is FREE; that's why the application you use is called the *Free Application for Federal Student Aid* (FAFSA). If you need help completing the FAFSA, you can get that help free, too. **You don't have to pay anyone for assistance.**

Who gets federal student aid?

Our most basic eligibility requirements are that you must

- Demonstrate financial need (see page 8);
- Be a U.S. citizen or **eligible noncitizen*** with a valid Social Security number; and
- Show by one of the following means that you're qualified to obtain a postsecondary education (education after high school):
  - — Have a high school diploma or a **General Education Development (GED) Certificate.***
  - — Pass an approved ability-to-benefit (ATB) test (if you don't have a diploma or GED, a school can administer a test to determine whether you can benefit from the education offered at that school).
  - — Meet other standards your state establishes that we have approved.
  - — Complete a high school education in a home school setting approved under state law.

See the complete list of eligibility requirements on page 7.

What is federal student aid?

It's financial help if you're enrolled in an **eligible program*** as a **regular student*** at a school participating in our federal student aid programs. (By "school," we mean a four-year or two-year public or private college, university, career school, or trade school.)

Federal aid covers school expenses, including tuition and fees, room and board, books and supplies, and transportation. Aid can also help pay for a computer and for dependent care.

There are three categories of federal student aid: grants, work-study, and loans (see the chart on the following page for an overview of these programs). Check with your school to find out which programs your school participates in.

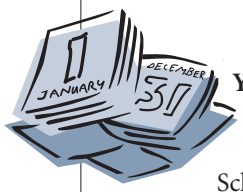
How do you apply for federal student aid?

1. Complete the *Free Application for Federal Student Aid* (FAFSA)—the online version (*FAFSA on the Web*) or the paper FAFSA. For more information on applying, see page 12.

- For *FAFSA on the Web,* go to **www.fafsa.ed.gov** (or to **www.studentaid.ed.gov** and get general student aid information as well). Using *FAFSA on the Web* is faster and easier than using paper.

*See "Important Terms," page 33.
(Terms frequently used in discussing financial aid will appear in boldface type with an asterisk [*], and you'll find a description of them under "Important Terms," beginning on page 33.)

- If you don't have Internet access, you can get a paper FAFSA from
  - — a high school guidance office,
  - — a college financial aid office,
  - — a local public library, or
  - — our Federal Student Aid Information Center, by calling **1-800-4-FED-AID (1-800-433-3243)**.



You can apply beginning Jan. 1, 2005; you have until June 30, 2006 to submit your FAFSA. But, you need to apply early!

Schools and states often use FAFSA information to award nonfederal aid. Their deadlines are usually early in the year. You can find state deadlines online at *FAFSA on the Web*—see "Check Deadlines" under "Before Beginning a FAFSA." The paper FAFSA lists state deadlines on the front of the form. Check with the schools you're interested in for their deadlines.

Federal Student Aid Summary

Federal Student Aid Program	Type of Aid	Program Details	Annual Award Amounts
Federal Pell Grant	Grant: does not have to be repaid	Available almost exclusively to undergraduates; all eligible students will receive the Federal Pell Grant amounts they qualify for	$400 to $4,050 for 2004-2005; 2005-2006 amount will depend on program funding
Federal Supplemental Educational Opportunity Grant (FSEOG)	Grant: does not have to be repaid	For undergraduates with exceptional financial need; priority is given to Federal Pell Grant recipients; funds depend on availability at school	$100 to $4,000
Federal Work-Study	Money is earned while attending school; does not have to be repaid	For undergraduate and graduate students; jobs can be on campus or off campus; students are paid at least minimum wage	No annual minimum or maximum award amounts
Federal Perkins Loan	Loan: must be repaid	5% loans for both undergraduate and graduate students; payment is owed to the school that made the loan	$4,000 maximum for undergraduate students; $6,000 maximum for graduate students; no minimum award amount
Subsidized FFEL[1] or Direct[2] Stafford Loan	Loan: must be repaid; you must be at least a **half-time*** student	Subsidized: U.S. Department of Education pays interest while borrower is in school and during grace and deferment periods	$2,625 to $8,500, depending on grade level
Unsubsidized FFEL[1] or Direct[2] Stafford Loan	Loan: must be repaid; you must be at least a **half-time*** student	Unsubsidized: Borrower is responsible for interest during life of the loan; financial need not a requirement	$2,625 to $18,500, depending on grade level (includes any subsidized amounts received for the same period)
FFEL or Direct PLUS Loan	Loan: must be repaid	Available to parents of dependent undergraduate students enrolled at least **half time***	Maximum amount is **cost of attendance*** minus any other financial aid the student receives; no minimum award amount

[1]This type of Stafford Loan is from the Federal Family Education Loan (FFEL) Program. The loan is known as a FFEL (or Federal) Stafford Loan.
[2]This type of Stafford Loan is from the William D. Ford Federal Direct Loan Program. The loan is known as a Direct Loan.

2. Review your *Student Aid Report* (SAR).
After you apply, you'll receive a *Student Aid Report*. Your SAR contains the information reported on your FAFSA and usually includes your Expected Family Contribution (EFC) number. The EFC, a measure of your family's financial strength, is used to determine your eligibility for federal student aid. Review your SAR information as soon as you get it and make any corrections or changes, if necessary. The school(s) you list on your FAFSA will receive your SAR data electronically and will review that data to determine your eligibility. See page 14 for more information on the SAR.

3. Contact the school(s) you might attend.
Make sure the financial aid office staff at each school you're interested in has all the information needed to determine your eligibility. If you're eligible, each school's aid administrator will send you an award letter outlining the amount and types of aid (from all sources) the school will offer you. You can compare award letters from the schools you applied to and see what aid you can receive from each school.

Financial Aid Application Process Summary

For Information on each step, read "Applying for Federal Student Aid" on page 12.

STEP 1 Get a PIN, an electronic access code number. With a PIN, you can apply *and* "sign" your FAFSA online, and you'll get your results faster. Also, you can make corrections to your application information and more—all online. Go to **www.pin.ed.gov.**

STEP 2 Collect the documents needed to apply, including income tax returns, W-2 forms, and other records of income. Tax return not completed at the time you apply? Estimate the tax information, apply, and correct information later.

STEP 3 Complete the *Free Application for Federal Student Aid* (FAFSA) between **Jan. 1, 2005 and June 30, 2006 (no exceptions to either date!).** BUT, apply as soon as possible after Jan. 1 to meet school and state aid deadlines (see Step 4). Apply online—the faster and easier way—by going to **www.fafsa.ed.gov.**

STEP 4 If required, complete nonfederal aid applications for private scholarships or other state and school aid. Know your school and state deadlines—these are usually **early in 2005.**

STEP 5 Review your *Student Aid Report* (SAR)—the result of your FAFSA application. If necessary, make changes or corrections and resubmit your SAR for reprocessing. Your complete, correct SAR will contain your Expected Family Contribution (EFC)—the number used to determine your federal student aid eligibility.

STEP 6 If selected for verification (see page 14), submit tax returns and other documents, as appropriate, to your school's financial aid office.

STEP 7 Make sure the financial aid office staff at each school you're interested in has all the information needed to determine your eligibility.

STEP 8 If eligible for aid, review award letters from schools to compare amounts and types of aid.

Free Student Aid Information and Sources

After reviewing this publication, if you still have questions about our programs, you can

- go online to **www.studentaid.ed.gov,** our Web site that provides comprehensive, ***free*** information on the student aid process and links to other student aid-related sites. (See the inside front cover of this publication for more information on this site.)
- call our Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243)**.

Check out these other great resources for federal or nonfederal student aid:

• Financial Aid Administrator

Talk to the aid administrator (or his or her staff) at each school you're interested in to find out about the school's aid programs and total **cost of attendance.***

• State Higher Education Agency

This agency in your home state can give you information about state aid—including aid from the Leveraging Educational Assistance Partnership (LEAP) Program, funded jointly by states and by us. (See the agency contact information on the inside back cover of this guide.)

• Public Libraries/Internet

These are excellent sources of information on state and private forms of aid. When using either source, search using keywords like "financial aid," "student aid," "scholarships," etc.

*See "Important Terms," page 33.

• AmeriCorps

This program provides full-time educational awards in return for work in community service. You can work before, during, or after your postsecondary education, and you can use the funds either to pay current educational expenses or to repay federal student loans. For more information, call **1-800-942-2677. The TTY number is 1-800-833-3722.** Information is also available at **www.americorps.org.**

• Robert C. Byrd Honors Scholarship Program (Byrd Program)

To receive aid, you must demonstrate outstanding academic achievement and show promise of continued academic excellence. For more information, call our toll-free number: **1-800-4-FED-AID (1-800-433-3243)** or visit **www.ed.gov/programs/iduesbyrd/index.html.**

• Companies and Labor Unions

Check with your parents' places of work. They might have programs to help pay the cost of postsecondary education for employees and their children.

• Organizations, Foundations, Etc.

Foundations, religious organizations, fraternities or sororities, and town or city clubs often offer financial assistance. Include in your search community organizations and civic groups such as the American Legion, YMCA, 4-H Club, Elks, Kiwanis, Jaycees, and the Girl or Boy Scouts. Organizations connected with your field of interest can be helpful—for example, the American Medical Association and the American Bar Association are good sources for students seeking specialization in those fields.

• U.S. Armed Forces

The Armed Forces also offer financial aid opportunities. For more information on recruitment incentives,

visit the U.S. Department of Defense Defenselink Web site at **www.todaysmilitary.com.** Click on "What You Get" at the top of the site. Then go to "College Help." You can also contact your local recruiter.

• U.S. Department of Veterans Affairs

If you (or your spouse) are a veteran or you're the dependent of a veteran, veterans' educational benefits may be available. Information is also available through the Internet at **www.gibill.va.gov** or call **1-888-GIBILL-1 (1-888-442-4551).**

• Internal Revenue Service (IRS)

The IRS offers two federal income tax credits (dollar-for-dollar reductions in tax liability) for higher education expenses.

—The Hope tax credit, worth up to $1,500 per student, is available for first- and second-year students enrolled at least **half time.***

—The Lifetime Learning tax credit is a tax benefit equal to 20 percent of a family's tuition expenses, up to $10,000. The credit can be used for virtually any postsecondary education and training, including graduate and professional schools and even for less-than-**half-time*** study.

For more information on the Hope and Lifetime Learning tax credits, and other tax benefits for postsecondary students, go to **www.irs.gov.** IRS Publication 970, *Tax Benefits for Higher Education,* which explains these credits and other tax benefits, is available online. Or, call the IRS at **1-800-829-1040. TTY callers can call 1-800-829-4059.**

*See "Important Terms," page 33.

Be Careful When Applying for Student Aid

Scholarship Scams

Be careful when searching for information on student financial aid. Make sure information and offers are legitimate. Don't fall prey to fraud. Estimates show that families lose millions of dollars to scholarship fraud every year.

The College Scholarship Fraud Prevention Act helps protect against fraud in student financial assistance. The Federal Trade Commission (FTC) cautions students to look for these telltale lines: "The scholarship is guaranteed or your money back." "You can't get this information anywhere else." "I just need your credit card or bank account number to hold this scholarship."

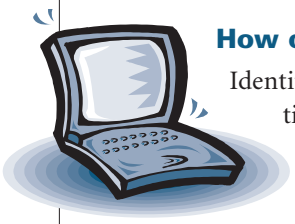
To file a complaint, or for free information, call **1-877-FTC-HELP (1-877-382-4357). The TTY number is 1-866-653-4261**. Or, visit **www.ftc.gov/scholarshipscams.**

Identity Theft

Besides scholarship scams, you need to be aware of identity theft.

What is it?

Identity theft occurs when someone obtains personal identifying information about you—such as your Social Security number or driver's license number—and uses your name to obtain credit cards, loans (including student loans), or merchandise and services. They then run up thousands of dollars in debt in your name. Even though it's not your fault, you are the one who has to clear up the damage, which can take months or even years.



How can this happen?

Identity thieves could get this information just because you use a personal computer for online banking or purchasing transactions. Sometimes just using a cell phone or using your Social Security number for identification can leave you at risk. Why? These transactions require you to share personal information such as your bank and credit card numbers or your name, address, and phone number. Sometimes, this information can fall into the wrong hands.

What can I do about it?

- Don't just toss out credit card applications you don't want; destroy them beforehand so no one can retrieve an application and apply for a credit card in your name.
- Be sure you safeguard your Social Security number. You generally have to provide it to your employer or your bank, but if a business wants it, ask why it's needed and how it will be used before you give it out.
- Never give personal or financial information over the phone or the Internet unless you initiated the contact.
- If you decide to apply for our federal student aid programs over the Internet, do so at **www.fafsa.ed.gov** or through **www.studentaid.ed.gov**, which are our Web sites and are protected. Keep your online student identifier—your PIN (see page 15)—in a secure place and don't give it to anyone.

These are just a few steps you can take. For more information, contact the Federal Trade Commission (FTC) at **www.consumer.gov/idtheft** or call **1-877-IDTHEFT (1-877-438-4338).**

To report identity theft that affects your federal student aid, call the U.S. Department of Education's Office of Inspector General Hotline at **1-800-MIS-USED (1-800-647-8733)** or go to **www.ed.gov/misused.**

Eligibility for Federal Student Aid

A. Basic Requirements

To receive aid from the federal student aid programs discussed in this guide, you must meet certain criteria:

- **Financial Need**

Except for some loan programs, you must show you have financial need, according to our requirements. See "Financial Need and Expected Family Contribution (EFC)," page 8.

- **Educational Requirements**

1. You must demonstrate by one of the following means that you are qualified to enroll in postsecondary education:
   - Have a high school diploma or a **General Education Development (GED) Certificate.***
   - Pass an approved ability-to-benefit (ATB) test (if you don't have a diploma or GED, a school can administer a test to determine whether you can benefit from the education offered at that school).
   - Meet other standards your state establishes that we have approved.
   - Complete a high school education in a home school setting approved under state law.
2. You must be enrolled or accepted for enrollment as a **regular student*** working toward a degree or certificate in an **eligible program.*** (You may not receive aid for correspondence or telecommunications courses unless they are part of an associate, bachelors, or graduate degree program.)
3. You must meet **satisfactory academic progress*** standards set by the postsecondary school you are or will be attending.

- **Legal and Other Requirements**

1. You must be a U.S. citizen or **eligible noncitizen.***
2. You must have a valid Social Security number (unless you're from the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau). If you need a Social Security number, you can find out more about applying for one at **www.ssa.gov** or by calling **1-800-772-1213. TTY users can call 1-800-325-0778.**
3. You must certify that you will use federal student aid only for educational purposes. You must also certify that you are not in **default*** on a federal student loan and do not owe money on a federal student grant (which could happen if you were awarded funds incorrectly, for example). You certify these items when you apply for federal student aid.
4. You must comply with **Selective Service registration,*** if required. You can, at the same time you complete your *Free Application for Federal Student Aid* (FAFSA), give the Selective Service permission to register you. You can also register through the Internet at **www.sss.gov** or by calling **1-847-688-6888. TTY users can call 1-847-688-2567.**
5. You might not be able to receive federal student aid if you've been convicted under federal or state law of selling or possessing illegal drugs. To find out your status, call **1-800-4-FED-AID (1-800-433-3243)** or go to **www.fafsa.ed.gov,** click on "Worksheets" in the left column, then select "Drug Worksheet."

   Even if you're ineligible for federal aid because of a drug conviction, you should still complete the FAFSA because schools and states often use FAFSA information when awarding nonfederal aid. You ***must*** complete Question 31 of the FAFSA; if you leave it blank, you'll automatically become ineligible for federal student aid.
6. You have limited eligibility for federal student aid if you're an incarcerated student. Generally, you're eligible only for a Pell Grant and then only if you're **NOT** incarcerated in a federal or state penal institution.

*See "Important Terms," page 33.

- **"Match" Requirements**

When you apply for aid from FSA programs, we verify some of your information with certain federal agencies, including the Social Security Administration (for verification of Social Security numbers and U.S. citizenship status). If the information doesn't match, the problem will have to be resolved for you to receive aid. We also check your records against our database, the **National Student Loan Data System (NSLDS),*** for verification that you don't have a defaulted federal student loan, haven't received an overpayment on a federal grant or a Federal Perkins Loan, and haven't borrowed more than the total limit allowed.

B. Financial Need and Expected Family Contribution (EFC)

Aid from most of our programs is awarded based on financial need (except for unsubsidized Stafford Loans and PLUS loans—see pages 21 and 22).

We use an Expected Family Contribution (EFC) number when we determine your need. The EFC is a measure of your family's financial strength and is calculated from the information you report on the *Free Application for Federal Student Aid* (FAFSA)—see page 12.

Your EFC will appear on your *Student Aid Report* (SAR) (see page 14).

The EFC is calculated according to a formula established by law. Your family's income (taxable and untaxed), assets, and benefits (for example, unemployment or Social Security) are all considered in determining your EFC. Also considered are your family size and the number of family members who will attend a college or career school.

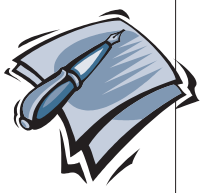
*See "Important Terms," page 33.

To be eligible for a Federal Pell Grant, your EFC must be below a certain number, which can vary from year to year. At the time this guide was published, that number hadn't been set. For the 2004-2005 award year, eligibility for a Pell Grant required an EFC of under 3850.

To determine your financial need for our other federal student aid programs (except for an unsubsidized Stafford Loan [see page 21]), your school will subtract from your **cost of attendance*** the following: the EFC, any Federal Pell Grant amount you're eligible for, and other financial aid you'll receive. If anything is left over, you're considered to have financial need for additional federal student aid.

So, how do I know how much aid I can get?

The EFC formula must be applied to each family's financial information, so we can't tell you here whether you'll be eligible for federal student aid or estimate how much aid you might get. That's why you need to apply—to find out! After you get your application results, contact the financial aid office at the school(s) you're considering (or the school you'll be attending) for information on your eligibility.



If you want to see exactly how the EFC Formula works, you can get detailed worksheets from our Web site **www.studentaid.ed.gov/pubs.** Click on the year under "The EFC Formula." You can also get the worksheets by contacting the Federal Student Aid Information Center (see the inside front cover of this guide for contact information).

The financial aid administrator at each school that offers you admission puts together a **financial aid package*** that comes as close as possible to meeting your need. But, most federal student aid funds are limited, so the total amount you receive might fall short of the amount you're eligible for. Also, except for Federal Pell Grant aid, the amount of federal student aid you

receive is affected by other sources of aid you might get—scholarships, state aid, etc. Each school you apply to will send you a notice of the types and amounts of aid you're eligible for.

Special Circumstances

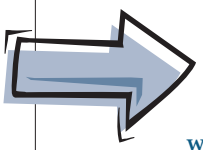
The Expected Family Contribution (EFC) formula is basically the same for all applicants, but there is some flexibility. Your financial aid administrator might adjust the **cost of attendance*** or the information used to calculate your EFC to take into account special circumstances you might have. These circumstances could include your family's unusual medical expenses, tuition expenses, or unemployment.

There must be compelling reasons for the financial aid administrator to take this step, however, and you'll have to provide adequate documentation to support any adjustments. **Note that the financial aid administrator's decision as to whether you have special circumstances is final and can't be appealed to us.**

*See "Important Terms," page 33.

Dependency Status

When you apply for federal student aid (see page 12), you report certain financial information to determine your financial need. Financial need affects whether you receive most types of federal student aid and—if you're eligible—how much you'll receive. You'll need to know whose financial information to report on your application—yours or yours ***and*** your parents' information.



Your answers to the questions in Step 3 of the FAFSA (or in Step 2 of the online FAFSA, *FAFSA on the Web*) determine whether you're considered a "dependent" or an "independent" student.

Dependent students must report on the FAFSA their parents' income and assets as well as their own. Our programs are based on the concept that a dependent student's parents have the primary responsibility for the student's education. Your parents' information will be used to calculate your Expected Family Contribution (EFC), as discussed on page 8.

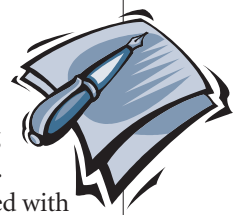
Independent students report only their own income and assets (and those of a spouse, if married). Not living with parents or not being claimed by them on the tax form does not determine dependency status.

For the 2005-2006 academic year, you're considered an *independent* student ONLY IF at least one of the following criteria applies to you:

- You were born before Jan. 1, 1982.
- You will be enrolled in a master's or doctorate program (beyond a bachelor's degree) at the beginning of the 2005-2006 school year.
- You're married as of the day you apply (or you're separated but not divorced).
- You have children who receive more than half their support from you.
- You have dependents (other than your children or spouse) who live with you and who receive more than half their support from you at the time you apply and through June 30, 2006.
- Both your parents are deceased, or you are (or were until age 18) a ward or dependent of the court.
- You're a veteran of the U.S. Armed Forces. (A veteran includes students who attended a U.S. service academy and who were released under a condition other than dishonorable. For more detail on who is considered a veteran, see the explanatory notes on the FAFSA.

If none of these criteria applies to you, you're considered dependent.

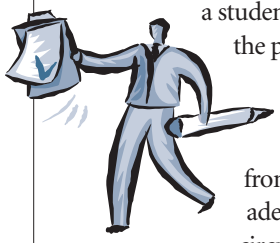
I'm a dependent student, but whose information do I report if my parents are divorced or separated?



You report information about the parent you lived with for the greater amount of time during the 12 months preceding the date of application. If you didn't live with either parent, or if you lived with each parent an equal number of days, use information about the parent who provided the greater amount of financial support during the 12 months preceding the date of application. If you didn't receive any parental financial support during that time, you must report information about the parent who ***most recently*** provided the greater amount of parental support.

If the parent you receive financial support from was a single parent who is now married, or the parent was divorced or widowed but has remarried, your stepparent's financial information is required on the FAFSA. This does not mean your stepparent is obligated to give financial assistance to you, but his or her income and assets represent significant information about the family's resources. Including this information on the FAFSA helps us form an accurate picture of your family's total financial strength.

I would be considered a dependent student, but I have no contact with my parents. What do I do about reporting their income?



In unusual cases, an aid administrator can determine that a student who doesn't meet the criteria on the preceding page should nevertheless be treated as an independent student. The financial aid administrator can change your dependency status from dependent to independent based on adequate documentation of any special circumstances you might have. You must provide this documentation. But, the aid administrator won't automatically change your status. That decision is based on the aid administrator's judgment and is ***final***—you can't appeal that decision to us.

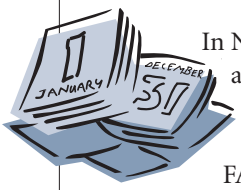
Did you apply for federal student aid for the 2004-2005 school year?

√ **YES**. Read Section A below. Read the parts of Section B that you need to refresh your memory.

√ **NO.** Skip Section A below. Go to Section B.

A. Renewal FAFSA—For Those Who Applied in 2004-2005

- You'll have fewer application questions to answer for 2005-2006 because you'll complete a Renewal FAFSA that will contain much of the information you gave on your 2004-2005 FAFSA.
- You'll update only the information that has changed since the 2004-2005 award year and fill in a few new answers.
- You can apply between Jan. 1, 2005 and June 30, 2006, but your school or state may have earlier deadlines for nonfederal aid, so check with your school and state.



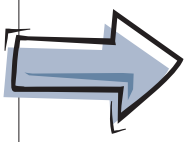
In November or December 2004, you'll receive a notice reminding you to apply for the 2005-2006 award year (July 1, 2005 to June 30, 2006). You'll access your Renewal FAFSA on the Web using your PIN. (See page 15 for PIN information.)

Review the information on the Renewal FAFSA, change or add information as needed, sign your application, and submit it.

You'll then receive your *Student Aid Report* (SAR) containing your application results. Review it to make sure all your information is correct. (For a reminder of what the SAR is, see page 14.)

Check with your financial aid administrator if you have questions about the Renewal FAFSA or contact the Federal Student Aid Information Center at the address or toll-free number listed on the inside front cover of this guide.

B. *Free Application for Federal Student Aid* (FAFSA) Process for New Applicants



For a summary of what happens in the application process, see page 3.

How do I apply?

Submit the 2005-2006 FAFSA—either through the Internet (using *FAFSA on the Web*) or by completing a paper FAFSA.

1. ***FAFSA on the Web*. Access the online FAFSA by going to**
   - **www.fafsa.ed.gov or**
   - **www.studentaid.ed.gov. At this site, click on the FAFSA logo in the left column.**

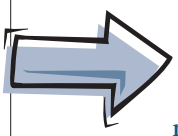
We recommend using *FAFSA on the Web* if possible because

- *FAFSA on the Web* identifies potential errors right away and prompts you to make on-the-spot corrections.
- You get online instructions for each question, and you can "chat" live online with a customer service representative if you have further questions. There's no charge for this help.
- **The Department's Central Processing System will process your application quickly—in three to five days,** provided you (and your parents, if applicable) have provided electronic signatures (see the PIN discussion on page 15).

2. The paper FAFSA.

If you don't have Internet access, you can get a paper FAFSA from your high school, local library, postsecondary school, or from the Federal Student Aid Information Center at the address or phone number given on the inside front cover of this publication.

- Mail the FAFSA in the pre-addressed envelope that's in your FAFSA packet. Or, before mailing it, check to see if your school, or a school that interests you, will submit your FAFSA information electronically.
- To receive confirmation that the application processing center received your FAFSA, send in along with your FAFSA the postcard that comes with the application. You'll get the postcard back, stamped with the receipt date.
- **Your FAFSA will be processed in two to four weeks.** If you don't hear anything within four weeks of the date stamped on the postcard, you can check the status by going to **www.fafsa.ed.gov.** You can also check by contacting the Federal Student Aid Information Center.



NOTE: You must reapply for federal student aid every year. Also, if you change schools, your aid doesn't automatically transfer with you. Check with your new school to find out what you must do to continue receiving aid.

When do I apply?

Apply between Jan. 1, 2005 and June 30, 2006—but apply as soon as you can after Jan. 1! Schools and states often use FAFSA information to award nonfederal aid. Their deadlines are usually early in the year. You can get state deadlines online at *FAFSA on the Web*—see "Check Deadlines" under "Before Beginning a FAFSA." The paper FAFSA lists state deadlines on the front of the form. Check with the schools you're interested in for their deadlines.

You can't transmit your electronic FAFSA or sign, date, or mail your paper FAFSA before Jan. 1. If you do any of these, your application will be rejected.

What information do I need to complete a FAFSA accurately?

√ Your Social Security number (found on your Social Security card) and your parents' Social Security numbers, if you're a dependent student (see page 10);

√ W-2 forms and other records of money earned (by you and by your parents, if you're a dependent student);

√ Your 2004 federal income tax return (and that of your spouse, if you're married)[1];

√ Your parents' 2004 federal income tax return (if you're a dependent student)[1];

√ Any foreign tax return or tax return from Puerto Rico;

√ Your 2004 untaxed income records—Social Security, Temporary Assistance to Needy Families, welfare, or veterans benefits records, for example;

√ Your current bank statements;

√ Your current business and investment mortgage information; business and farm records; and stock, bond, and other investment records; and

√ Your alien registration card, if you're not a U.S. citizen.

Try to have the necessary 2004 income tax returns finished so you can complete the FAFSA more

[1] If you (or your parents, if you're a dependent student according to the FAFSA questions) are eligible for the Earned Income Credit, make sure you get it by filing a tax return. Also, by filing, you'll have an accurate record of your earnings.

easily and accurately. If you have to apply before you complete a tax return, you'll have a two-step application process.

- Step 1—Apply and estimate your tax information on your application.
- Step 2—Make corrections later if your tax information isn't accurate. **You can't receive federal student aid unless all your information is complete and accurate.**

Read the instructions carefully when you fill out the FAFSA! Most mistakes are made because applicants don't follow instructions. Pay special attention to questions on income; most errors occur in that area.

Photocopy your application (or print out a copy of your *FAFSA on the Web* application) so you'll have a copy for your records.

Save all other records and materials used to complete your FAFSA. You might need them later to prove the information you reported is correct. The process of documenting your information is called **verification**. If your application is selected for verification, and you don't provide the proof your school requests (such as federal tax returns), you won't receive aid from our programs, and you might not receive aid from other sources.

What if I need help filling out my application?

- If you apply using *FAFSA on the Web*, help is built into the program. You can get help live online as well.
- You can also go to **www.studentaid.ed.gov/completefafsa.**
- You can contact the Federal Student Aid Information Center with questions on either the paper or electronic FAFSA (see the inside front cover of this publication for contact information).
- You can contact your high school guidance counselor or your postsecondary school's financial aid office.

Remember, you can get all the help you need for FREE from one of the sources given here; you don't have to pay anyone for assistance.

How do the schools I'm interested in get my FAFSA results?

You can list up to six schools on your FAFSA. Those schools will receive your FAFSA results electronically.

What if later I want to add or change schools?

You can make changes online with your PIN (see the next page), or you can call the Federal Student Aid Information Center (see the inside front cover of this guide for contact information).

C. The *Student Aid Report* (SAR)

After you apply, you'll get your FAFSA results. You'll receive either

- a paper *Student Aid Report* (SAR) in a few weeks; or
- if you provided a valid e-mail address when you applied, you'll get an e-mail within a few days. The e-mail contains a secure link so you can access your SAR on the Web. (If you have a "blocked" folder in your e-mail files, check it. The e-mail from us might come there instead of to your inbox.)

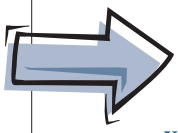
Your SAR (in whatever form) reports all the information you gave on your FAFSA. Your SAR will usually contain your Expected Family Contribution (EFC), the number used in determining your eligibility for federal student aid (see page 8). Your EFC will appear in the upper right-hand portion of a paper SAR and at or near the top of an electronic (online) SAR. You might not get an EFC if we need more information from you to process your data.

What do I do with my SAR?

Review it carefully to make sure it's correct and complete. If it is, and if it contains your Expected Family Contribution (EFC), contact the school(s) you're interested in. (The schools you listed on your FAFSA will appear on your SAR; they'll receive your SAR information electronically.) The financial aid office staff at your school(s) will review your SAR and use the information to determine if you're eligible for federal—and possibly nonfederal—student aid funds.

If you need to make corrections to the SAR, you can make them online, your school might be able to make them electronically (check with your school), or you can usually make corrections to a paper SAR, if you received one. Your SAR will contain instructions on how to make corrections.

You can make a *few* changes to your SAR information by calling the Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243).** You can change your address, the names of schools that you want to receive your FAFSA information, and your answer to FAFSA Question 31 (concerning a drug conviction). **For all other changes, you must resubmit your SAR for reprocessing.**



SAR deadline: You should make sure your SAR is correct and complete as soon as possible. At the latest, however, the school you attend must receive your valid SAR data by **your last day of enrollment in 2005-2006 OR by Sept. 15, 2006, whichever comes *first*.**

*See "Important Terms," page 33.

Once my SAR is correct and complete, how do I find out if I'm eligible and what aid I'll receive?

Contact the financial aid office of the school(s) you're interested in or plan to attend. If you're eligible for aid, each school will send you an award letter, telling you the types of aid it will offer (including nonfederal aid) and how much you can receive. This combination of aid will be your **financial aid package.*** Review your award letter(s) carefully.

D. The PIN

What is a PIN and what is it used for?

It's an electronic access code number that serves as your identifier.

You PIN helps you to

- Apply online for federal student aid, using *FAFSA on the Web.*
- "Sign" your application electronically and complete the student aid process totally online—no paper is involved. If you're a dependent student (see page 10) and your parents have a PIN, they can sign the application electronically, as well. Signing the application at the time you apply means you'll get your results faster.
- Make corrections to your FAFSA.
- Access your *Student Aid Report* and make corrections to it.
- Access all your federal student aid records online, including any federal student loan information.

But, should I get a PIN if I'm not applying online?

We encourage you to apply online because that process is much faster and easier (see page 12). But, even if you don't apply online, you can use a PIN later to correct your FAFSA information and access your federal student aid records quickly and easily, as mentioned. A PIN has many uses!

How and when do I get a PIN?

Go to **www.pin.ed.gov** at any time; don't wait until you apply for federal student aid. You should request your PIN ***before*** you complete your *FAFSA on the Web* application. If you're a dependent student (see page10), your parents should request a PIN also, so you and your parent can electronically sign your *FAFSA on the Web* ***before*** it's submitted. That way, you'll get your results much faster.

When requesting a PIN, you must provide your name (as it appears on your Social Security card), your Social Security number, date of birth, and mailing address. After that information has been verified with the Social Security Administration's records, a PIN will be generated. If you provide an e-mail address, you'll get an e-mail response that contains a link to your PIN. If you don't provide an e-mail address, you'll get your PIN through regular mail.

Is going to the Web the only way I can get a PIN?

Not necessarily. When you apply (whether online or with a paper FAFSA), if certain personal data such as your Social Security number and date of birth match the Social Security Administration's records, we'll send you a PIN automatically. But, as we said above, getting a PIN early in the student aid process is better.

Safeguard your PIN and remember it! Because your PIN serves as your electronic signature, it has the same legal status as a written signature. *Don't give out your PIN to anyone ever—not even to anyone helping you fill out the FAFSA*. You need to make sure no one else can gain access to your student aid records or "sign" a FAFSA application with your PIN. Remember your PIN; you'll be able to use the same one for future online FAFSAs and future federal student aid records access.

What if I have questions about the PIN?

Go to **www.pin.ed.gov.** Or, you can go to **www.studentaid.ed.gov.** At this site, click on "Get Your PIN" in the left column, right above the FAFSA logo. Or, you can contact the Federal Student Aid Information Center (see the inside front cover of this publication for contact information).

Can I request a PIN from the Federal Student Aid Information Center?

No, you can request a PIN only online.

Types of Federal Student Aid

For a quick comparison of federal student aid programs, see the chart on page 2.

There are three basic types of federal student aid: grants, work-study, and loans.

A. Grants

- **Federal Pell Grants**
- **Federal Supplemental Educational Opportunity Grants (FSEOGs)**

Grants are awarded based solely on financial need. Unlike loans (see page 18), grants don't have to be repaid unless, for example, you are awarded funds incorrectly.

What is a Federal Pell Grant?

Pell Grants are the foundation of federal student aid, to which aid from other federal and nonfederal sources might be added. Pell Grants are generally awarded only to undergraduate students—those who haven't earned a bachelor's or graduate degree. In some limited cases, however, you might receive a Pell Grant if you're enrolled in a post-baccalaureate teacher certificate program.

What is a Federal Supplemental Educational Opportunity Grant (FSEOG)?

FSEOGs are awarded to undergraduate students with exceptional financial need—those with the lowest Expected Family Contribution (EFC) numbers (see page 8). Federal Pell Grant recipients receive priority for FSEOG awards.

What's the difference between these grants?

If you're eligible for a Federal Pell Grant, you'll receive the full amount you qualify for—each school participating in the program receives enough funds to pay the Pell amounts for all its eligible students. The amount of other student aid you might qualify for does not affect your Pell Grant amount.

Unlike Pell Grants, the amount of FSEOG funds you receive depends not only on your financial need but also on the amount of other aid you get and the availability of funds at your school.

— Receiving other aid might reduce the amount of your FSEOG award.

— FSEOGs are administered by the financial aid office at each school participating in the program. We provide a certain amount of FSEOG funds each year to those schools. When all funds are used for that award year, no more FSEOG awards can be made for that year. So, make sure you apply for federal student aid early to be considered for these funds.

How much money can I get?

Pell Grants—the amount of aid for the 2005-2006 award year will depend on program funding, which wasn't known when this guide was published. Pell Grant amounts for the 2004-2005 award year (July 1, 2004 to June 30, 2005) ranged from $400 to $4,050. How much *you* get depends on your Expected Family Contribution (see page 8), your **cost of attendance,*** whether you're a full-time or part-time student, and whether you attend school for a full **academic year*** or less. You may receive only one Pell Grant in an award year, and you may not receive Pell Grant funds from more than one school at a time.

FSEOGs—you can get between $100 and $4,000 a year, depending on when you apply, your financial need, the funding level of the school you're attending, and the policies of your school's financial aid office.

How will I be paid?

Your school can credit your grant funds to your school account, pay you directly (usually by check), or combine these methods. Also, with your permission,

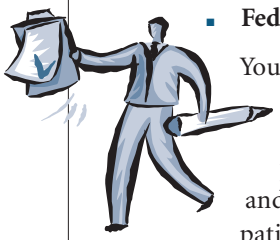
*See "Important Terms," page 33.

schools can credit your bank account. Schools must disburse funds at least once per term (semester, trimester, or quarter). Schools that don't use formally defined traditional terms must disburse funds at least twice per **academic year.***

Can I receive a grant if I'm enrolled less than half time?*

Yes, if you're otherwise eligible. You won't receive as much as if you were enrolled full time, however.

B. Work-Study



- **Federal Work-Study**

You can work part-time while you're in school, and you can be an undergraduate or a graduate student. Our program is called Federal Work-Study and is administered by schools participating in the program. We provide those schools a certain amount of Work-Study funds each year; when all funds have been awarded, no additional Work-Study awards can be made for that year.

What kinds of jobs are there?

The program encourages community service work and work related to each student's course of study.

Federal Work-Study jobs can be on or off campus. If you work on campus, you'll usually work for your school. If you work off campus, your employer will usually be a private nonprofit organization or a public agency, and the work performed must be in the public interest.

Some schools might have agreements with private for-profit employers for Federal Work-Study jobs. These jobs must be relevant to your course of study, to the maximum extent possible. If you attend a proprietary school, there might be further restrictions on the jobs you can be assigned.

*See "Important Terms," page 33.

How much will I make?

You'll earn at least the current federal minimum wage, but the amount might be higher depending on the type of work you do and the skills required. Your total Federal Work-Study award depends on when you apply, your level of financial need, and your school's funding level. Apply early so you'll have a better chance of receiving Federal Work-Study funds.

How will I be paid?

Undergraduate student—by the hour

Graduate student—by the hour or by salary, depending on the work you do

Your school must pay you at least once a month. Also, your school must pay you directly unless you request that the school make payments to your bank account or use the money to pay for your education-related institutional charges such as tuition, fees, and room and board.

Can I work as many hours as I want?

No. The amount you earn can't exceed your total Federal Work-Study award. Also, when assigning work hours, your employer or financial aid administrator will consider your class schedule and your academic progress.

C. Loans

Loans, unlike grants or work-study, are borrowed money that ***must*** be repaid, with interest. These are real loans—just like car loans or mortgages. You ***cannot*** have these loans canceled because you didn't like the education you received or because you're having financial difficulty. These loans are a serious obligation, so think about the amount you'll have to repay over the years before you take out a loan.

There are several types of loans:

- **Federal Perkins Loans** are made through participating schools to undergraduate and graduate/professional students.
- **Stafford Loans** are for undergraduate or graduate and professional students made through one of two U.S. Department of Education programs:
  - — William D. Ford Federal Direct Student Loan Program—referred to as **Direct Stafford Loans or Direct Loans**
  - — Federal Family Education Loan (FFEL) Program—referred to as **FFEL Stafford Loans or Federal Stafford Loans**
- **PLUS Loans** are loans parents can take out for their dependent undergraduate children and are made through either the Direct Loan or the FFEL program mentioned above.

Whether you (or your parents) receive a Direct or a FFEL loan depends on which program the school you attend participates in. Most schools participate in one or the other, although some schools participate in both.

It's possible for you to receive FFEL *and* Direct Stafford Loans but not both types for the same period of enrollment at the same school.

- **Consolidation Loans (Direct or FFEL)** allow you (or your parents, if they have a PLUS Loan) to combine several types of federal student loans into one loan with one monthly payment. See page 29 for information on these loans.

What are the differences in these loan programs?

The chart on the following page shows the most basic loan comparisons. More information is provided below.

*See "Important Terms," page 33.

Federal Perkins Loans and Stafford Loans

How do I apply for a Perkins or Stafford Loan?

The same way you do for other federal student aid—by completing the *Free Application for Federal Student Aid* (FAFSA). See page 12. You don't need a separate loan application. But, you will need to sign a **promissory note**,* a binding legal document that states you agree to repay your loan according to the terms of the note. Read this note carefully and save it.

How much can I borrow?

Perkins Loans

The Student Loan Comparison Chart on the next page shows the maximum Perkins Loan funds you can receive, depending on whether you're an undergraduate student or a graduate or professional student. **But, the amount you can borrow might be less than the maximums given.** Unlike for Stafford Loans, we provide each school participating in the Federal Perkins Loan program a certain amount of Perkins Loan funds each year. When all funds are used for that award year, no more awards can be made for that year. So, submit your *Free Application for Federal Student Aid* (FAFSA) as early as you can so you can be considered for these funds.

Stafford Loans (Direct and FFEL)

See the amounts in the chart on page 21. You'll see that your loan limits depend on what year you are in school, whether you're a dependent student (see page 10), and whether you receive "subsidized" or "unsubsidized" Stafford Loans.

Subsidized Stafford Loan

If you demonstrate financial need (see page 8), you can borrow a subsidized FFEL or Direct Loan to cover some or all of that need. For a subsidized loan, the U.S. Department of Education pays the interest while you're in school at least **half time**,* for the first six months after you leave school, and during a period of deferment—a postponement of loan payments. (See page 27 for information on deferment.)

Student Loan Comparison Chart

Loan Program	Eligibility	Award Amounts	Interest Rate	Lender/Length of Repayment
Federal Perkins Loans	Undergraduate and graduate students; do not have to be enrolled at least **half time***	Undergraduate—up to $4,000 a year (maximum of $20,000 as an undergraduate) Graduate—up to $6,000 a year (maximum of $40,000, including undergraduate loans) Amount actually received depends on financial need, amount of other aid, availibility of funds at school	5 percent	Lender is your school Repay your school or its agent Up to 10 years to repay, depending on amount owed
FFEL Stafford Loans	Undergraduate and graduate students; must be enrolled at least **half time***	Depends on grade level in school and dependency status (see chart on the next page) Financial need not necessary	Changes yearly; for 2004–2005 was 3.37 percent for loans in repayment For those with financial need, government pays interest during school and certain other periods	Lender is a bank, credit union, or other participating private lender Repay the loan holder or its agent Between 10 and 25 years to repay, depending on amount owed and type of repayment plan selected
Direct Stafford Loans	Same as above	Same as above	Same as above	Lender is the U.S. Department of Education; repay Department Between 10 and 30 years to repay, depending on amount owed and type of repayment plan selected
FFEL PLUS Loans	Parents of dependent undergraduate students enrolled at least **half time*** (see page 10 for dependency status); parents must not have bad credit history	Student's **Cost of Attendance*** – Other aid student receives = Maximum loan amount	Changes yearly; for 2004-2005, was 4.17 percent for loans in repayment; government does not pay interest	Same as for FFEL Stafford Loans above
Direct PLUS Loans	Same as above	Same as above	Same as above	Same as for Direct Stafford Loans above, except that Income Contingent Repayment Plan is not an option (see page 25)

*See "Important Terms," page 33.

The amount of your subsidized loan cannot exceed your financial need.

Unsubsidized Stafford Loan
You might be able to receive loan funds beyond your subsidized loan limit or even if you don't have demonstrated financial need. In that case, you'd receive an unsubsidized loan.

To determine the amount of your unsubsidized loan, your school will use this equation:

Cost of Attendance*
– Federal Pell Grant (if eligible)
– Subsidized Stafford Loan (if eligible)
– Any other financial aid you receive
= Amount of unsubsidized loan you can receive (up to the annual maximum)

For an unsubsidized loan, you're responsible for the interest from the time the loan is disbursed until it's paid in full. You can pay the interest as you go along. Or, you can allow the interest to accrue (accumulate)—for example, while you're in school—and have the interest added to the principal amount of your loan later. This means the interest will be "capitalized." Note that if interest accumulates, the total amount you repay will be higher than if you paid the interest all along.

You can receive a subsidized loan and an unsubsidized loan for the same enrollment period as long as the combination doesn't exceed the annual loan limit.

Maximum Annual Loan Limits for Subsidized and Unsubsidized Direct and FFEL (Federal) Stafford Loans

	Dependent Undergraduate Student	Independent Undergraduate Student	Graduate and Professional Student
1st Year	$2,625	$6,625—No more than $2,625 of this amount may be in subsidized loans.	$18,500 for each year of study—No more than $8,500 of the annual amount may be in subsidized loans.
2nd Year	$3,500	$7,500—No more than $3,500 of this amount may be in subsidized loans.	
3rd and 4th Years (each)	$5,500	$10,500—No more than $5,500 of this amount may be in subsidized loans.	
Maximum Total Debt From Stafford Loans When You Graduate	$23,000	$46,000—No more than $23,000 of this amount may be in subsidized loans.	$138,500—No more than $65,500 of this amount may be in subsidized loans. The graduate debt limit includes Stafford Loans received for undergraduate study.

NOTE: For periods of study shorter than an **academic year**,* the amounts you can borrow will be less than those listed. Remember that you might receive less if you receive other financial aid that's used to cover a portion of your **cost of attendance.***

Your school can refuse to certify your loan application or can certify a loan for an amount less than you would otherwise be eligible for if the school documents the reason for its action and explains the reason to you in writing. The school's decision is final and cannot be appealed to us.

*See "Important Terms," page 33.

Other than interest, is there any other charge involved with these loans?

- **Federal Perkins Loans**—No.
- **Direct and FFEL Stafford Loans**—Yes, you'll pay a fee of up to 4 percent of the loan, deducted proportionately from each loan disbursement. Because of this deduction, you'll receive slightly less than the amount you're borrowing.

How will I be paid?

Perkins Loan—Your school will either pay you directly (usually by check) or credit your account. Generally, you'll receive the loan in at least two payments during the **academic year**.*

Stafford Loan—Your school will disburse your loan in at least two installments; no installment will be greater than half the amount of your loan. If you're a first-year undergraduate student *and* a first-time borrower, your first disbursement can't be made until 30 days after the first day of your enrollment period.

Whatever your loan type, your loan money must first be used to pay for your tuition, fees, and room and board. If loan funds remain, you'll receive them by check or in cash, unless you give the school written permission to hold the funds until later in the enrollment period.

Can I cancel my student loan if I change my mind, even if I've signed the promissory note* agreeing to the loan's terms?

Yes. Your school must notify you in writing whenever it credits your account with your loan funds. You may cancel all or a portion of your loan if you inform your school within 14 days after the date your school sends you this notice, or by the first day of the payment period, whichever is later. (Your school can tell you the first day of your payment period.) If you receive your loan funds directly by check, you may refuse the funds by returning the check to the school.

*See "Important Terms," page 33.

PLUS Loans

How do my parents apply for a PLUS Loan?

- **Direct PLUS Loan**—if the school you attend participates in the Direct Loan Program, your parents complete a Direct PLUS Loan application and **promissory note**,* contained in a single form that you'll get from your school's financial aid office.
- **FFEL (Federal) PLUS Loan**—if the school you attend participates in the FFEL (Federal) Loan Program, your parents complete a FFEL (Federal) PLUS Loan application, available from your school, lender, or your state **guaranty agency.*** After the school completes its portion of the application, it must be sent to a lender for evaluation.

Although it's not a requirement, parents are encouraged to have their dependent children file a *Free Application for Federal Student Aid* (FAFSA), so their children can receive the maximum student aid they're eligible for.

Can my parents get both a Direct PLUS Loan and a FFEL PLUS Loan for me?

They can apply for either loan for you but not both during the same enrollment period. Your parents could, however, apply for a Direct PLUS Loan for you and a FFEL PLUS Loan for one of your siblings, for example.

What are the borrowing requirements my parents have to meet?

Generally, they have to pass a credit check. If they don't pass, they might still be able to receive a loan if they can demonstrate that extenuating circumstances exist, or if someone they know—who can pass—agrees to endorse the loan and promises to repay it if your parents don't.

Are there any other requirements?

You must meet the general eligibility requirements for federal student aid (see page 7), and your parents must also meet some of these general requirements. For example, they must be citizens or **eligible noncitizens*** and may not be in **default*** or owe a refund to any FSA program.

Do they need to find a lender?

Direct PLUS Loan—no, the U.S. Department of Education is their lender. Your school assists in administering the Direct Loan Program, however, by distributing the loan application, processing the loan, and disbursing the loan funds.

FFEL PLUS Loan—yes, your parents will need to find a participating lender. For help locating a participating lender, they should contact your school or the **guaranty agency*** serving your state. For that agency's address and telephone number, your parents can contact the Federal Student Aid Information Center at the address or toll-free number given on the inside front cover of this guide.

How much can my parents borrow?

See the chart on page 20.

Do they get the money or do I?

Your school first receives the loan funds and might require your parents to endorse a disbursement check and send it back to the school. Your school then applies the loan funds to your tuition, fees, room and board, and other school charges.

If there are any loan funds left over, your parents will receive them either by check or in cash, unless they authorize the funds to be released to you or to be put into your school account. Any remaining loan funds must be used for your education expenses.

*See "Important Terms," page 33.

Can my parents cancel their loan if they change their minds, even if they've signed the promissory note* agreeing to the loan's terms?

Yes, they can cancel just as you can. See the preceding page.

Other than interest, is there any other charge involved with a PLUS Loan?

Your parents will pay a fee of up to 4 percent of the loan, just as you would for a Stafford Loan. See the preceding page.

Loan Repayment

This section will give you basic information on loan repayment. For more information, read our publication *Repaying Your Student Loans.* Get the latest version by going online to **www.studentaid.ed.gov/pubs**. Or, you can request a paper copy from the Federal Student Aid Information Center (see the inside front cover of this guide for contact information).

For even more information, go to www.studentaid.ed.gov and click on the "Repaying" tab.

Also, contact the holder of your loan.

When do I start paying back my student loans?

If you're attending school at least **half time**,* you have a period of time after you graduate, leave school, or drop below **half-time*** status before you must begin repayment. This period of time is called a "grace period."

- **Federal Perkins Loans**—the grace period is nine months. (If you're attending less than **half time,*** check with your financial aid administrator to determine your grace period.)
- **Direct Stafford Loans or Federal Family Education Loan (FFEL) Stafford Loans**—the grace period is six months.
  - — Subsidized loan—during the grace period, you don't have to pay any principal, and you ***won't*** be charged interest.
  - — Unsubsidized loan—you don't have to pay any principal, but you ***will*** be charged interest. As mentioned on page 21, you can either pay the interest as you go along or it will be capitalized (added to the principal loan balance) later.

    See pages 19 and 21 for definitions of subsidized and unsubsidized loans.

*See "Important Terms," page 33.

Those on active duty with the military might have longer grace periods than those mentioned here and will have additional options to postpone repayment. Contact the holder of the loan for more information.

Your lender will send you information about repayment, and you'll be notified of the date repayment begins. However, you're responsible for beginning repayment on time, even if you don't receive this information. Failing to make payments on your loan can lead to **default.***

When do my parents begin repaying a PLUS Loan?

Generally, within 60 days after the loan is fully disbursed (paid out). There is no grace period for these loans. This means interest begins to accumulate at the time the first disbursement is made. Your parents must begin repaying both principal and interest while you're in school.

How much will I have to repay and how often do I repay?

Usually, you'll pay monthly. Your repayment amount will depend on the size of your debt and the length of your repayment period. If you have a FFEL or Direct Stafford Loan, the amount you'll pay also depends on the repayment plan you choose. Federal Perkins Loans do not have different repayment plans.

Perkins Loans

- You'll make payments to the school that made you the loan.
- You'll have up to 10 years to repay your loan.

The table on the next page shows typical monthly payments and total interest charges for three different 5 percent loans over a 10-year period.

Examples of Typical Perkins Loan Repayments

Total Loan Amount	Number of Payments	Approximate Monthly Payment	Total Interest Charges	Total Repaid
$4,000	120	$42.43	$1,091.01	$5,091.01
$5,000	120	$53.03	$1,364.03	$6,364.03
$15,000	120	$159.10	$4,091.73	$19,091.73

Direct and FFEL Stafford Loans

- **Direct Loan**—You'll make payments to us (the U.S. Department of Education) through our Direct Loan Servicing Center. Direct Loan borrowers can view and pay their bills online, using their PIN, at the Servicing Center Web site **www.dl.ed.gov.** (See page 15 for PIN information.)
- **FFEL Stafford Loan**—You'll repay the private lender that made you the loan or the lender's servicing agent.

The repayment periods for Stafford Loans vary from 10 to 30 years depending on whether the loan is a FFEL or a Direct Stafford Loan and depending on which repayment plan you choose. When it comes time to repay, you can pick a repayment plan that's right for you:

- A 10-year Standard Plan with a minimum monthly payment of $50;
- An Extended Plan that allows you to repay your loan over a longer period;
- A Graduated Plan with a monthly payment that starts out low and then increases gradually during the repayment period; or
- A plan that bases the monthly payment amount on how much money you make. Under FFEL, this plan is called the Income-Sensitive Repayment Plan; under Direct, the plan is called the Income Contingent Repayment Plan. The terms of these plans vary slightly.

You'll get more information about repayment choices before you leave school and, later, from the holder of your loan. You can also get more detail about repayment plans from *Repaying Your Student Loans* and by going to our Web site. (See the shaded box at the beginning of this section.)

Examples of Typical Direct and FFEL[1] Stafford Loan Repayments[2]

(Monthly Payments and Total Amounts Repaid Under Different Repayment Plans)

							For Direct Loans Only: Income Contingent[5] (Income=$25,000)			
Total Debt When Borrower Enters Repayment	Standard[3]		Extended[4] (20 years used as example)		Graduated (20 years used as example)		Single		Married or HOH[6]	
	Per Month	Total Repaid	Per Month	Total Repaid	Per Month	Total Repaid	Per Month	Total Repaid	Per Month	Total Repaid
$2,500	$50	$3,074	$50	$3,074	$25	$4,029	$21	$4,788	$20	$5,106
$5,000	$61	$7,359	$55	$7,893	$35	$8,649	$43	$9,576	$40	$10,212
$7,500	$92	$11,039	$82	$11,840	$53	$12,970	$64	$14,364	$60	$15,318
$10,000	$123	$14,718	$97	$17,463	$69	$19,175	$85	$19,152	$80	$20,424
$15,000	$184	$22,077	$146	$26,194	$103	$28,762	$128	$28,727	$121	$30,636
$31,000	$380	$45,627	$264	$63,394	$213	$68,854	$264	$59,370	$215	$66,087

[1] FFEL repayment plans vary by lender because lenders can tailor the plans. Check with your lender for specifics on your repayment options.

[2] Payments are calculated using the maximum interest rate of 8.25 percent for student borrowers. For July 1, 2004 to June 30, 2005, the interest rate for loans in repayment was 3.37 percent. Interest rates are adjusted each year on July 1.

[3] Equal and fixed monthly payments ($50 minimum)

[4] Under FFEL, this plan is available only to those FFEL borrowers who received their first loan on or after October 7, 1998, *and* who have FFEL Stafford Loans totaling more than $30,000. Therefore, loan repayment amounts in this column below $31,000 apply *only* to Direct Loans.

[5] Assumes a 5 percent annual income growth (Census Bureau)

[6] HOH is Head of Household; assumes a family size of two

How do my parents pay back their PLUS Loan?

Your parents have nearly all the repayment options that Direct and FFEL Stafford Loan borrowers have. The exception is that the Direct Loan Income Contingent Repayment Plan is not an option for Direct PLUS Loan borrowers.

Are there any tax incentives available for paying back student loans?

Yes, for certain higher education expenses, including a deduction for student loan interest for certain borrowers. This benefit applies to all loans used to pay for postsecondary education costs, including PLUS Loans. The maximum deduction is $2,500 a year. IRS Publication 970, *Tax Benefits for Higher Education*, explains these credits and other tax benefits. You can find out more at **www.irs.gov** or by calling the IRS at **1-800-829-1040. TTY callers can call 1-800-829-4059.**

Deferment and Forbearance (Postponing Loan Repayment)

Under certain circumstances, you can receive periods of deferment or forbearance that allow you to postpone loan repayment. These periods don't count toward the length of time you have to repay your loan. You can't get a deferment or a forbearance for a loan in **default.***

For more information on deferment and forbearance, check the sources in the information box at the beginning of "Loan Repayment" on page 24.

Deferment

A deferment is a period of time during which no payments are required and interest does not accrue (accumulate), unless you have an unsubsidized Stafford Loan (see page 21). In that case, you must pay the interest.

How do I qualify for a deferment?

The most typical loan deferment conditions are enrollment in school at least **half time**,* inability to find full-time employment (for up to three years), and economic hardship (for up to three years). Other deferment conditions are loan specific. For more information, check the sources in the shaded box on page 24.

Can my parents defer repayment of their PLUS Loan?

Yes, as long as the loan isn't in **default**.* Generally, the same deferment provisions that apply to Stafford Loans apply to PLUS Loans. Because PLUS Loans are unsubsidized, however, **your parents will be charged interest during periods of deferment.** If they don't pay the interest as it accrues, it will be capitalized (see page 21).

Forbearance

If you temporarily can't meet your repayment schedule but you don't meet the requirements for a deferment, your lender might grant you forbearance. During forbearance, your loan payments are postponed or reduced. Interest continues to accrue (accumulate), however, and you are responsible for paying it, **no matter what kind of loan you have.**

Generally, you can receive forbearance for periods of up to 12 months at a time for a maximum of three years. You'll have to provide documentation to the holder of your loan to show why you should be granted forbearance.

Your parents might also receive forbearance on their PLUS loan.

Applying for Deferment or Forbearance

Receiving deferment or forbearance is not automatic. You or your parents must apply for it.

- **Federal Perkins Loans**—contact the school that made you the loan or the school's servicing agent.
- **Direct Loans (includes Direct PLUS Loans)**—contact the Direct Loan Servicing Center at the Web site or telephone number on the inside front cover of this guide.
- **FFEL Loans (includes FFEL PLUS Loans)**—contact the lender or agency holding the loan.

You MUST continue making payments on your loan until you're notified that your deferment or forbearance has been granted. If you don't, and your request isn't approved, you'll become delinquent and could end up in **default.***

*See "Important Terms," page 33.

Loan Discharge (Cancellation)

Is it ever possible to have a federal student loan discharged (canceled)?

Yes, but only under specific circumstances and as long as you're not in **default*** on the loan. A discharge releases you from all obligation to repay the loan.

What qualifies my loan for discharge?

Two examples are your death or your total and permanent disability. Also, your loan might be discharged because of the type of work you do: teaching in a designated low-income school, for example.

Other cancellations are loan specific. For a complete list of cancellation provisions for Perkins Loans and Stafford Loans, check one of the sources in the shaded box at the beginning of "Loan Repayment" on page 24.

Your loan can't be canceled because you didn't complete the program of study at your school (unless you couldn't complete the program for a valid reason—because the school closed, for example). Also, cancellation isn't possible because you didn't like the school or program of study, or you didn't obtain employment afterwards.

Can my parents ever have their PLUS Loan discharged?

Generally, if a cancellation condition applies to ***you***, your parents can have their FFEL or Direct PLUS Loan discharged.

For more information, if your parents have a Direct PLUS Loan, they should contact the Direct Loan Servicing Center at **1-800-848-0979**, or they can go to **www.dl.ed.gov.** If they have a FFEL PLUS Loan, they should contact the lender or agency holding the loan.

*See "Important Terms," page 33.

How do I find out if I can get a discharge?

After reviewing the cancellation conditions, if you think you qualify, you must apply to the holder of your loan.

- **Federal Perkins Loans**—check with the school that made you the loan or with the school's servicing agent.
- **Direct Stafford Loans**—contact the Direct Loan Servicing Center (see the inside front cover of this guide for contact information).
- **FFEL Stafford Loans**—contact your lender or its servicing agent.

What is loan consolidation?

You can consolidate (combine) multiple federal student loans with various repayment schedules into one loan: either a Federal Family Education Loan (FFEL) Consolidation Loan or a Direct Consolidation Loan. Then, you can make just one monthly repayment.

With a consolidation loan, your payments might be significantly lower, and you can take a longer time to repay (up to 30 years). Also, you might pay a lower interest rate than you would on one or more of your existing loans.

Your parents can also get a Direct or FFEL PLUS Consolidation Loan if they have a PLUS Loan for you. (See page 22 for a discussion of PLUS Loans.)

If you're in **default*** on a federal student loan, you still might be able to consolidate, provided the defaulted loan is not subject to a judgment or wage garnishment.

What kinds of loans can be consolidated?

All the loans discussed in this publication are eligible for consolidation, and others can be included.

For a list of your loans eligible for consolidation, contact your lender if you're applying for a FFEL Consolidation Loan.

If you're applying for a Direct Consolidation Loan, contact the Loan Origination Center's Consolidation Department at **1-800-557-7392. TTY users may call 1-800-557-7395.** Or, you can go to **www.loanconsolidation.ed.gov.**

When can I consolidate my loans?

You can consolidate during your grace period (see page 24), once you've entered repayment, or during periods of deferment or forbearance (see page 27). If you want to apply for a Direct Consolidation Loan, you can get one while you're in school. Certain conditions apply, so check with the Loan Origination Center's Consolidation Department at the number given above. Note that you can't get a FFEL Consolidation Loan while you're in school.

How do you get a consolidation loan?

- **FFEL Consolidation Loan**—you (or your parents, for a FFEL PLUS Consolidation Loan) can contact the consolidation department of a participating lender for an application and more information. If the same FFEL loan holder holds all the loans you (or your parents) want to consolidate, usually you must obtain your consolidation loan from that holder.
- **Direct Consolidation Loan**—you (or your parents, for a Direct PLUS Consolidation Loan) can contact the Direct Loan Origination Center's Consolidation Department (see the previous column for contact information).

What's the interest rate on a consolidation loan?

Currently, the interest rate for both Direct and FFEL Consolidation Loans is a fixed rate for the life of the loan (unlike Direct and FFEL Stafford Loans, which have variable interest rates).

The fixed rate is based on the weighted average of the interest rates on the loans you consolidate, rounded up to the nearest one-eighth of a percent. The interest rate does not exceed 8.25 percent.

Are there any disadvantages to getting a consolidation loan?

Yes, there could be. For example, consolidation significantly increases the total cost of repaying your loans. Because you can have a longer period of time to repay, you'll pay more interest. In fact, consolidation can double total interest expense. So, compare the cost of

*See "Important Terms," page 33.

repaying your unconsolidated loans with the cost of repaying a consolidation loan.

Where can I get more information on consolidation loans?

You'll be given more information about loan consolidation during entrance and exit counseling sessions you'll receive from your school. You can contact the holder of your loans, and you can read more in our publication *Repaying Your Student Loans*. You can get a copy online by going to **www.studentaid.ed.gov/pubs** or a paper copy by contacting the Federal Student Aid Information Center (see the inside front cover of this guide for contact information).

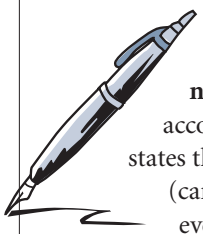
For even more detailed information, go to **www.studentaid.ed.gov**, click on the "Repaying" tab, then click on "Loan Consolidation."

What You Must Do

When you take out a student loan, you have certain responsibilities. Here are some important ones:

Think About How Much You're Borrowing.

- Think about what your repayment obligation means before you take out a loan. If you don't repay your loan on time or according to the terms in your **promissory note**,* you might go into **default,*** which has serious consequences and will affect your credit rating. You don't have to borrow the maximum amount you're allowed. Borrow only what you really need to pay for school.



Agree to Repay the Loan.

- When you sign a **promissory note**,* you're agreeing to repay the loan according to the terms of the note. The note states that except in cases of loan discharge (cancellation), you must repay the loan, even if you don't complete your education (unless you couldn't for a valid reason—because the school closed, for example). Also, you must repay your loan even if you can't get a job after you complete the program, or you don't like the education you paid for.

Make Payments Regardless of Receiving Billing Notices.

- You must make payments on your loan even if you don't receive a bill or repayment notice. Billing statements (or coupon books) are sent to you as a convenience, but you're obligated to make payments even if you don't receive any reminders. Also, you must make monthly payments in the full amount your repayment plan has established. Partial payments do not fulfill your obligation.

*See "Important Terms," page 33.

Continue to Pay While Waiting for Deferment, Forbearance, or Discharge Approval.

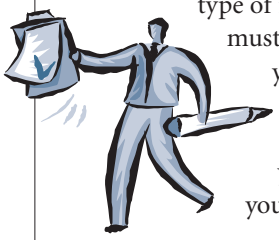
- If you apply for a deferment or forbearance (see page 27,) or a loan discharge (see page 28), you must continue to make payments until you're notified your request has been granted. If you don't, you might end up in **default.*** You should keep a copy of any request form you submit, and make sure you document all contacts with the organization that holds your loan.

Keep in Touch with Your Loan Servicer.

- You must notify your loan servicer when you graduate; withdraw from school; drop below **half-time*** status; change your name, address, or Social Security number; or transfer to another school.

Receive Entrance and Exit Counseling.

- For Direct or FFEL Stafford Loans, you must receive entrance counseling before you're given your first loan disbursement, unless you've previously received a Stafford Loan. No matter what type of federal student loan you have, you must receive exit counseling before you leave school. Your school will provide the counseling and important information about your loan. Your lender will give you additional information.



What You Must Know

You have certain rights as a borrower. Listed below are some of them.

Before the First Loan Disbursement

- Before your school makes your first loan disbursement, you must receive the following information about your loan from your school, lender, or the Direct Loan Servicing Center:
  - — the full amount of the loan and the interest rate;
  - — the date you must start repayment;

— a complete list of any charges you must pay (loan fees) and information on how those charges are collected;

— information about the yearly and total amounts you can borrow;

— information about the maximum repayment periods and the minimum payment amount;

— an explanation of **default*** and its consequences; and

— an explanation of available options for consolidating your loans and a statement that you can prepay your loan(s) without penalty at any time.

Before You Leave School

- Before you leave school, you will receive the following information about your loan (as part of exit counseling) from your school, lender, or the Direct Loan Servicing Center:

  — a current description of your loans, including average anticipated monthly payments;

  — the amount of your total debt (principal and estimated interest), your interest rate, and the total interest charges on your loan;

  — if you have FFEL (Federal) Stafford Loans, the name of the lender or agency that holds your loans, where to send your payments, and where to write or call if you have questions;

  — if you have Direct Stafford Loans, the address and telephone number of the Direct Loan Servicing Center;

  — an explanation of the fees you might be charged during the repayment period, such as late charges and collection or litigation costs if you're delinquent or in **default;***

  — a reminder of available options for loan consolidation and a reminder that you can prepay your loan without penalty at any time;

  — a description of applicable deferment, forbearance, and discharge (cancellation) provisions;

  — repayment options and advice about debt management that will help you in making your payments; and

  — notification that you must provide your expected permanent address and the name and address of your expected employer. You must also provide any corrections to your school's records concerning your name, Social Security number, references, and driver's license number (if you have one).

Grace Period

- You have the right to a grace period before your repayment period begins. (Your parents do not receive a grace period for a PLUS Loan.) Your grace period will be six or nine months depending on the type of loan you have.

Loan Repayment Schedule

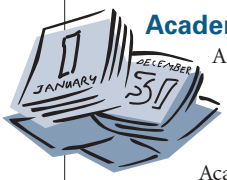
- Your school, lender, or the Direct Loan Servicing Center, as appropriate, must give you a loan repayment schedule that states when your first payment is due, the number and frequency of payments, and the amount of each payment.

Sale of Loan

- If you or your parents borrow under the FFEL Program, you (or your parents, for a PLUS Loan) must be notified when the loan is sold if the sale results in making payments to a new lender or agency. You must be given the identity of the new lender or agency holding the loan, the address to which you must make payments, and the telephone numbers of both the old and new lender or agency.

*See "Important Terms," page 33.

Important Terms



Academic Year

A period of time schools use to measure a quantity of study. For example, a school's academic year may consist of a fall and spring semester during which a student must complete 24 semester hours. Academic years vary from school to school and even from educational program to educational program at the same school.

Cost of Attendance (COA)

The total amount it will cost you to go to school—usually expressed as a yearly figure. It's determined using rules established by law. The COA includes tuition and fees; on-campus room and board (or a housing and food allowance for off-campus students); and allowances for books, supplies, transportation, loan fees, and, if applicable, dependent care. It also includes miscellaneous expenses, including an allowance for the rental or purchase of a personal computer. Costs related to a disability are also covered. The COA includes reasonable costs for eligible study-abroad programs as well. For students attending less than half time, the COA includes only tuition and fees and an allowance for books, supplies, transportation, and dependent-care expenses. Talk to the financial aid administrator at the school you're planning to attend if you have any unusual expenses that might affect your cost of attendance.

Default

Failure to repay a loan according to the terms agreed to when you signed a promissory note. For the FFEL and Direct Loan programs, default is more specific—it occurs if you fail to make a payment for 270 days if you repay monthly (or 330 days if your payments are due less frequently). The consequences of default are severe. Your school, the lender or agency that holds your loan, the state, and the federal government may all take action to recover the money, including notifying national credit bureaus of your default. This notice affects your credit rating for a long time. For example, you might find it very difficult to borrow money from a bank to buy a car or a house. In addition, the Internal Revenue Service can withhold your U.S. individual income tax refund and apply it to the amount you owe, or the agency holding your loan might ask your employer to deduct payments from your paycheck. Also, you're liable for loan collection expenses. If you return to school, you're not entitled to receive additional federal student aid. Legal action also might be taken against you. In many cases, default can be avoided by submitting a request for a deferment, forbearance, or discharge (cancellation) and by providing the required documentation.

Eligible Noncitizen

You must be one of the following to receive federal student aid:

- U.S. citizen
- U.S. national (includes natives of American Samoa or Swain's Island)
- U.S. permanent resident who has an I-151, I-551, or I-551C (Alien Registration Receipt Card)

If you're not in one of these categories, you must be an eligible noncitizen, and you must have an Arrival-Departure Record (I-94) from U.S. Citizenship and Immigration Services (USCIS) showing one of the following designations:

- "Refugee"
- "Asylum Granted"
- "Cuban-Haitian Entrant, Status Pending"
- "Conditional Entrant" (valid only if issued before April 1, 1980)
- "Parollee" (You must be paroled into the United States for at least one year, and you must be able to provide evidence from the USCIS that you are in the United States for other than a temporary purpose and intend to become a citizen or permanent resident.)

If you have only a Notice of Approval to Apply for Permanent Residence (I-171 or I-464), you aren't eligible for federal student aid.

If you're in the United States on certain visas, including an F1 or F2 student visa, or a J1 or J2 exchange visitor visa, you're not eligible for federal student aid.

Also, persons with G series visas (pertaining to international organizations) are not eligible. For more information about other types of visas that are not acceptable, check with your school's financial aid office.

Citizens and eligible noncitizens may receive loans from the FFEL Program at participating foreign schools. Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau are eligible only for Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, or Federal Work-Study. These applicants should check with their schools' financial aid offices for more information.

Eligible Program

A program of organized instruction or study that leads to an academic, professional, or vocational degree or certificate, or other recognized educational credential. To receive federal student aid, you must be enrolled in an eligible program, with two exceptions:

- If a school has told you that you must take certain course work to qualify for admission into one of its eligible programs, you can get a Stafford Loan for up to 12 consecutive months while you're completing that preparatory course work. You must be enrolled at least half time, and you must meet the usual student aid eligibility requirements.
- If you're enrolled at least half time in a program to obtain a professional credential or certification required by a state for employment as an elementary or secondary school teacher, you can get Federal Work-Study, a Federal Perkins Loan, or a Stafford Loan, or your parents can get a PLUS Loan, while you're enrolled in that program.

Financial Aid Package

The total amount of financial aid (federal and nonfederal) a student receives. The financial aid administrator at a postsecondary institution combines various forms of aid into a "package" to help meet a student's need. Using available resources to give each student the best possible package of aid is one of the aid administrator's major responsibilities. Because funds are often limited, an aid package might fall short of the amount a student is eligible for. Also, the amount of federal student aid in a package is affected by other sources of aid received (scholarships, state aid, etc.).

General Education Development (GED) Certificate

A certificate students receive if they've passed a specific, approved high school equivalency test. Students who have a GED can still qualify for federal student aid. A school that admits students without a high school diploma must make available a GED program in the vicinity of the school and must inform students about the program.

Guaranty Agency

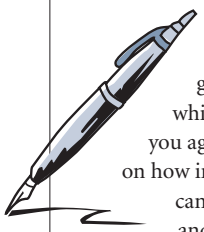
The organization that administers the Federal Family Education Loan (FFEL) Program in your state. This agency is the best source of information on FFELs. For the name, address, and telephone number of the agency serving your state, contact the Federal Student Aid Information Center at the address or phone number listed on the inside front cover of this guide.

Half time

At schools measuring progress in credit hours and semesters, trimesters, or quarters, "half time" is at least six semester hours or quarter hours per term for an undergraduate program. At schools measuring progress in credit hours but not using semesters, trimesters, or quarters, "half time" is at least 12 semester hours or 18 quarter hours per year. At schools measuring progress in clock hours, "half time" is at least 12 hours per week. Note that schools may choose to set higher minimums than these. You must be attending school at least half time to be eligible for a Stafford Loan. Half-time enrollment is not a requirement to receive aid from the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work-Study, and Federal Perkins Loan programs.

National Student Loan Data System (NSLDS)

Our database for federal student aid—you can find out about the aid you've already received. (If you've only just applied for aid, you won't find any information on NSLDS yet.) NSLDS receives data from schools, agencies that guarantee loans, and U.S. Department of Education programs. The NSLDS Web site is generally available 24 hours a day, seven days a week. By using your PIN (see page 15), you can get information on federal loan or grant amounts, outstanding balances, the status of your loans, and disbursements made. You can access NSLDS at **www.nslds.ed.gov.**



Promissory Note

The binding legal document you sign when you get a student loan. It lists the conditions under which you're borrowing and the terms under which you agree to pay back the loan. It will include information on how interest is calculated and what the deferment and cancellation provisions are. It's very important to read and save this document because you'll need to refer to it later when you begin repaying your loan.

Regular Student

One who is enrolled or accepted for enrollment at an institution for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution. Generally, to receive aid from the programs discussed in this booklet, you must be a regular student. (For some programs, there are exceptions to this requirement. See the definition of eligible program.)

Satisfactory Academic Progress

To be eligible to receive federal student aid, you must meet and maintain your school's standards of satisfactory academic progress toward a degree or certificate offered by that institution. Check with your school to find out its standards.

Selective Service Registration

To receive federal student aid, if you are a male born on or after Jan. 1, 1960, are at least 18 years old, and are not currently on active duty in the U.S. Armed Forces, you must register, or arrange to register, with the Selective Service. (Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau are exempt from registering.)

State Higher Education Agencies

These agencies provide information on state education programs, colleges and universities, student aid assistance programs, grants, scholarships, continuing education programs, career opportunities, and some guaranty agencies. You can search the U.S. Department of Education's database at **www.studentaid.ed.gov** for contact information and Web addresses. At our Web site, click on "Funding," then look under "State Aid."

You can also contact the agency by calling the telephone number listed below:

Alabama	1-334-242-1998
Alaska	1-800-441-2962
Arizona	1-602-258-2435
Arkansas	1-800-547-8839
California	1-888-224-7268
Colorado	1-303-866-2723
Connecticut	1-800-842-0229
Delaware	1-800-292-7935
District of Columbia	1-202-727-6436
Florida	1-888-827-2004
Georgia	1-800-776-6878
Hawaii	1-808-956-8213
Idaho	1-208-334-2270
Illinois	1-800-899-4722
Indiana	1-317-232-2350
Iowa	1-800-383-4222
Kansas	1-785-296-3517
Kentucky	1-800-928-8926
Louisiana	1-800-259-5626
Maine	1-800-228-3734
Maryland	1-800-974-1024
Massachusetts	1-617-727-9420
Michigan	1-888-447-2687
Minnesota	1-800-657-3866
Mississippi	1-601-432-6997
Missouri	1-800-473-6757
Montana	1-800-852-2761
Nebraska	1-402-471-0030
Nevada	1-775-687-9228
New Hampshire	1-603-271-2555
New Jersey	1-800-792-8670
New Mexico	1-800-279-9777
New York	1-888-697-4372
North Carolina	1-919-549-8614
North Dakota	1-701-328-2960
Ohio	1-888-833-1133
Oklahoma	1-800-858-1840
Oregon	1-800-452-8807
Pennsylvania	1-800-692-7392
Rhode Island	1-800-922-9855
South Carolina	1-803-737-2260
South Dakota	1-605-773-3455
Tennessee	1-615-741-1346
Texas	1-888-311-8881
Utah	1-801-321-7207
Vermont	1-800-642-3177
Virginia	1-804-225-2632
Washington	1-360-753-7800
West Virginia	1-888-825-5707
Wisconsin	1-608-267-2206
Wyoming	1-307-777-7763
Puerto Rico	1-787-724-7100
Virgin Islands	1-340-774-4546

NOTE: The following numbers link to colleges, as there are no state higher education agencies in these areas.

American Samoa	011-684-699-9155
Guam	1-671-735-2440
Northern Mariana Islands	1-670-234-3690
Republic of the Marshall Islands	011-692-625-3394
Republic of Palau	011-680-488-2471

Cover photo by Anderson Ross, Getty Images

Other Federal Student Aid Publications

Read our other publications for more information. To get copies, contact the Federal Student Aid Information Center (see the inside front cover of this guide for contact information) or go online to **www.studentaid.ed.gov/pubs.**

College Preparation Checklist: a year-by-year list of what high school students should do to prepare for college

Funding Your Education: an overview of our federal student aid programs; designed for students below twelfth-grade level

The Student Aid Audio Guide: for the visually impaired; describes our federal student aid programs

Looking for Student Aid: a brochure listing sources of free information about financial aid and warning about scholarship scams

Completing the FAFSA: an online resource found at www.studentaid.ed.gov/pubs; contains detailed instructions for completing the *Free Application for Federal Student Aid* (FAFSA)

Repaying Your Student Loans: for student loan borrowers about to enter repayment; contains a budget worksheet to help in loan repayment and information on repayment plan options, deferment, loan consolidation, and the consequences of default