Funding Education Beyond High School

2006-07

U.S. Department of Education
Federal Student Aid

The Guide to Federal Student Aid

START HERE
GO FURTHER
FEDERAL STUDENT AID

HELPFUL INFORMATION

USEFUL WEB SITES

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

- Find information on federal student financial 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 (makes applying online faster).
- Look up the status of your federal student loan.
- 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.
- Use "MyFSA" to create a personalized folder to record your interests, career and college searches and any relevant personal information. Track your progress in the college planning and application process. Store information in "MyFSA" to prepopulate fields on the FAFSA.

Free Help Completing the FAFSA
www.studentaid.ed.gov/completefafsa

Direct Loan Web site (includes servicing center)
www.dl.ed.gov

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

If you paid for a copy of this FREE 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

FREQUENTLY REQUESTED TELEPHONE NUMBERS

Federal Student Aid Information Center
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 1-800 numbers may call **1-319-337-5665** (this is not a toll-free number).

The FSAIC staff can answer your federal student financial 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), which contains your application results,
- information about the process of determining financial need and awarding aid and
- information about your federal student loans.

You can also use an automated response system at this number 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 Hotline
1-800-MIS-USED (1-800-647-8733)
To report student aid fraud (including identity theft), waste or abuse of U.S. Department of Education funds:

E-mail: oig.hotline@ed.gov.

Web site: www.ed.gov/misused.

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2006-07

U.S. Department of Education
Federal Student Aid

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January 2006

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This guide is also available on the Federal Student Aid Web site at:
www.FederalStudentAid.ed.gov

On request, this publication is available in alternate formats, such as Braille, large print, audiotape, or computer diskette. For more information, please contact the Federal Student Aid Information Center at **1-800-433-3243 (1-800-4-FED-AID)**. TTY users (for the hearing impaired) should call **1-800-730-8913**.

This guide contains Web site addresses for information created and maintained by outside organizations. This information is provided for the reader's convenience. The U.S. Department of Education is not responsible for controlling or guaranteeing the accuracy, relevance, timeliness, or completeness of this outside information. Further, the inclusion of information or Web site addresses does not reflect the importance of the organization, nor is it intended to endorse any views expressed, or products or services offered.

FEDERAL STUDENT AID'S MISSION

Federal Student Aid, an office of the U.S. Department of Education, plays a central and essential role in America's postsecondary education community.

Federal Student Aid's core mission is to ensure that all eligible Americans benefit from federal financial assistance—grants, loans and work-study programs—for education beyond high school. The programs we administer comprise the nation's largest source of student aid: during the 2004-05 school year alone, we provided approximately $74 billion in new aid to nearly 10 million postsecondary students and their families. Our staff of 1,100 is based in 10 cities in addition to our Washington headquarters.

Among our most visible and essential services are the development, distribution and processing of the Free Application for Federal Student Aid (FAFSA), the fundamental qualifying form used for all federal and government-guaranteed commercial lenders' programs—as well as for many state, regional and private student aid programs. By filling out the online or paper FAFSA, applicants start the process of qualifying for aid. Each year our staff processes approximately 14 million FAFSAs.

Because we oversee $391 billion of outstanding student loans, it's our job to ensure that all of our partners in the student aid community—schools, lenders, servicers and guaranty agencies—operate fairly, honestly and efficiently. Another key role we perform is to make students and their families aware that financial aid is available and is a necessary first step to further education. As America's premier source of federal student aid information, we distribute numerous publications, host multiple Web sites and run several customer call centers. Most of these services are provided in Spanish as well.

The Federal Student Aid team is passionately committed to making education beyond high school more attainable for all Americans, regardless of socioeconomic status. By championing access to postsecondary education, we uphold its value as a force for greater inclusion in American society and for the continued vitality of America as a nation.

START HERE
GO FURTHER
FEDERAL STUDENT AID

A MESSAGE TO OUR READERS

This guide, ***Funding Education Beyond High School: The Guide to Federal Student Aid***, can help you make a decision that will influence the course of your life.

The cost of education beyond high school continues to rise. At Federal Student Aid, we offer financial aid programs that help millions of Americans manage the cost of education each year.

In a nation where opportunity is open to all, education can be your most important first step.

Education creates opportunities. No qualified student should be denied an education because the cost is too high. So, if you're considering education beyond high school and wondering how you will pay, this guide can help. There's money available—but **you need to apply to be eligible.**

We tell you exactly how in this guide. In fact, the guide will tell you most everything you need to know about federal student assistance programs—grants, loans, work-study and more. It leads you step by step through the process—including completing that famous FAFSA form. So rest easy: the guide explains everything in simple, direct terms.

We're Federal Student Aid—your expert source of aid.

Our team at Federal Student Aid is committed to making sure that all eligible Americans can benefit from financial help for education beyond high school.

There may be a good deal more of this help on hand than you think. Last year alone, for instance, we provided nearly **$74 billion** in the form of grants, work-study and low-interest loans. About **10 million** students benefited from this aid. Many of them could not have managed the rising cost of education without our help.

Chances are you know someone who took advantage of one or more of our federal student assistance programs. It's very possible that you can make this happen for yourself or a family member. The key: Start here, today, and go further.

Start with us. We're here to help … at www.FederalStudentAid.ed.gov

You'll find lots of useful information at our Web site. Our office publishes many other print publications that you will find helpful (see inside back cover for the list). All of them are free for the asking. Just call **1-800-4-FED-AID (1-800-433-3243)**.

Our nation is built on opportunity for all. Our guide might just give you the boost you need to make community college, university or trade school a reality for you. As you make progress on your personal path to achievement, all America benefits.

So, take advantage of the resources we provide: we're here to help you as you go forward into new successes.

The Federal Student Aid team
U.S. Department of Education

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DID YOU KNOW ...

Applying for federal student aid grants, loans and work-study programs costs NOTHING! Why pay a third party for assistance with the FAFSA ... there are no fees of any kind assessed by the government when you submit a FAFSA. And all our publications are absolutely FREE!

FEDERAL STUDENT AID AT A GLANCE

You're considering education beyond high school.

Whatever form this "postsecondary" education takes—whether it's university, trade school or community college—you have to be thinking about how you're going to pay for it. The cost of education continues to rise. But if you're determined to achieve the success that education beyond high school can bring, the investment is worth it. But that doesn't mean managing these costs isn't a challenge.

Federal Student Aid can help. We assist more than 10 million students each year with grants, low-interest loans and work-study programs. That's what this guide is about: steering you step by step through the process of applying for and receiving aid. If you receive a student loan, we'll also explain the process of repaying it—and grace periods, deferments and other options available to you.

Now is the time to take action. You may qualify for more financial aid than you think. But you won't know until you follow the steps we describe here. Investing a little time now could pay off in a brighter future. Start right here, with this three-page, top-level overview.

Federal Student Aid Summary Chart

What is federal student aid?

How do I apply for federal student aid? Seven steps

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FEDERAL STUDENT AID SUMMARY CHART

Federal Student Aid Program	Type of Aid	Program Details	Annual Award Limits
Federal Pell Grant	**Grant:** does not have to be repaid	Available almost exclusively to undergraduates; all eligible students will receive the Federal Pell Grant amount they qualify for	$400 to $4,050 for 2006-07
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 federal minimum wage	No annual minimum or maximum award amounts
Federal Perkins Loan	**Loan:** must be repaid	Interest charged on this loan is 5 percent 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 and professional students; no minimum award amount
Subsidized Direct or FFEL Stafford Loan	**Loan:** must be repaid	Subsidized: U.S. Department of Education pays interest while borrower is in school and during grace and deferment periods; you must be at least a **half-time*** student	$2,625 to $8,500, depending on grade level
Unsubsidized Direct or FFEL Stafford Loan	**Loan:** must be repaid	Unsubsidized: Borrower is responsible for interest during life of the loan; you must be at least a **half-time*** student; financial need is not a requirement	$2,625 to $18,500, depending on grade level (includes any subsidized amounts received for the same period)
Direct or FFEL PLUS Loan	**Loan:** must be repaid	Available to parents of dependent undergraduate students who are enrolled at least **half-time***	Maximum amount is **cost of attendance*** minus any other financial aid the student receives; no minimum award amount

See "Important Terms," page 35.
*Terms frequently used in discussing financial aid throughout this publication will appear in **boldface** type with an asterisk, and you'll find a description of them under "Important Terms," beginning on page 35.*

Do you need help paying for college or for a career or vocational school? This section is a **quick reference** to our federal student aid programs and how to apply. The rest of this publication provides more detail 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 office administers. For additional sources of student financial aid, see **Section a5**.

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

Beware of scams and services that will search for financial aid money for you for a fee. The ***College Scholarship Fraud Protection Act*** protects you from this type of fraud.

What is federal student aid?

Federal student aid is financial assistance through the U.S. Department of Education that's available if you're enrolled in an **eligible program*** as a **regular student*** at a school participating in our federal student aid programs.

Federal student aid covers school expenses such as tuition and fees, room and board, books and supplies and transportation. This aid can also help you pay for a computer and dependent child-care expenses.

HOW DO I APPLY FOR FEDERAL STUDENT AID?

STEP 1

Get a PIN, a personal identification number. A PIN lets you apply, "sign" your online FAFSA, 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 and W-2 forms (and other records of income). A full list of what you need is at www.fafsa.ed.gov. 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, 2006, and July 2, 2007 (no exceptions to either date!). BUT, apply as soon as possible after Jan. 1 to meet school and state aid deadlines (see note at bottom of page). Apply online (the faster and easier way) by going to www.fafsa.ed.gov.

STEP 4

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 5

If you are selected for verification, your school's financial aid office will ask you to submit tax returns and other documents, as appropriate. Be sure to meet the school's deadline, or you will not be able to get federal student aid.

STEP 6

Whether you're selected for verification or not, make sure the financial aid office at the school has all the information needed to determine your eligibility.

STEP 7

All students: Contact the financial aid office if you have any questions about the aid being offered.
First-time applicants: Review award letters from schools to compare amounts and types of aid being offered. Decide which school to attend based on a combination of (a) how well the school suits your needs and (b) its affordability after all aid is taken into account.

Note:

You also might be able to get financial aid from your state government, your school or a private scholarship. Research nonfederal aid early (ideally, start in the spring of your junior year of high school). Be sure to meet all application deadlines!

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

Who gets federal student aid?

Eligibility for federal student aid programs is based on financial need and several other factors. Your eligibility is determined by the information you provide on the FAFSA.

Basic eligibility requirements:

- Demonstrate financial need (except for certain loans, see pages 9 and 10).
- Be a U.S. citizen or **eligible noncitizen*** with a valid Social Security number (SSN).
- Be working toward a degree or certificate in an **eligible program**.*
- Show, by one of the following means, that you're qualified to obtain a 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.
- Register (if you haven't already) with the Selective Service, if you're a male between the ages of 18 and 25.
- Maintain **satisfactory academic progress*** once in school. (**See the complete list of eligibility requirements on page 3-4.**)

PROCESS SUMMARY CHART

PREPARE ▸▸	APPLY ▸▸	RECEIVE ▸▸	REPAY
This guide tells you most everything you need to know about federal student aid, as well as other means of paying for your education after high school. Take what we say to heart … and then take it to the next step.	This step is where many deserving students falter, either because they assume they won't qualify … or because the FAFSA may seem complex and difficult to complete. In the case of the FAFSA, the improved online version streamlines the application process considerably. And it's a good idea to apply in any case. You may be surprised by the amount of aid for which you qualify.	We will inform you and your selected schools about your Expected Family Contribution (EFC). Then they (or your private lender) will tell you how much—and what sorts of—aid you qualify for. In most cases, they disburse funds directly to you.	If your aid is in the form of a loan or loans, this guide will fill you in on the repayment process.

The graphic at the lower right of each page spread provides a key to the primary topic—based on the Prepare-Apply-Receive-Repay cycle—covered in the text on that page spread.

a What You Should Know Before You Apply

Our Federal Student Aid team is committed to making sure that all eligible Americans can benefit from financial assistance for education beyond high school. We allot billions of dollars for this purpose every year.

The amount and type of aid we provide depends almost entirely on financial need. Once students apply for aid, many are surprised by the amount of aid they receive. So a good rule of thumb is: Don't assume you're not eligible. Take the time to complete the *Free Application for Federal Student Aid*—the FAFSA (more on that later).

Read on to learn more about the types of student aid provided by the Department of Education, as well as other sources you can turn to for financial help in completing your education.

Remember: the more you know about how to make your ambitions real, the closer you are to fulfilling them. It's up to you to make it happen.

a1 EDUCATION AFTER HIGH SCHOOL

What questions should I ask when considering a college or career school?

Where can I find this information?

Take the next steps.

What kind of information should I get from a school?

Find out about financial aid at the school.

Find out the school's refund policy.

Find out the school's return-of-aid policy.

Find out the school's completion and transfer-out rates.

Education beyond high school is a big investment of time, money and effort. You'll need to figure out how to pay for your education. The U.S. Department of Education offers a variety of student financial aid programs, which are described in this guide.

You'll also need to carefully evaluate the schools you're considering. Just because a school participates in our federal student aid programs doesn't mean we've endorsed the quality of education the school offers. We don't approve a school's curriculum, policies or administrative practices, except as they relate to how the school administers our federal student aid programs.

When we refer to "school" in this guide, we mean a two-year or four-year public or private college, university or career or trade school.

What questions should I ask when considering a college or career school?

- Does the school offer the courses and type of program I want?
- Do I meet the admissions requirements?
- Does the school offer a high quality education?
- Does the school offer services I need and activities I'm interested in?

Where can I find this information?

- Read the school's catalog or introductory materials.
- Talk with students who currently attend or attended the school you're considering to get their opinion of the school.
- Check the school's Web site.
- Visit the reference section of your local library.
- Talk to high school counselors and your state higher education agency. (See the section "State Higher Education Agencies" on page 39 for a list of agencies and their phone numbers.)
- Check to see if any complaints about the school have been filed with the local Better Business Bureau or the consumer protection division of the state attorney general's office. Search for Better Business Bureau offices at **www.bbb.org**.

You're paying for a high-quality education. Make sure you get it.

Take the next steps.

Before enrolling, make appointments to visit the colleges or career schools you're considering. Bring a list of questions to ask school representatives. Your education is a major investment, so find out as much information as you can before you enroll.

See "Important Terms," page 35.
Terms frequently used in discussing financial aid throughout this publication will appear in ***boldface*** *type with an asterisk, and you'll find a description of them under "Important Terms," beginning on page 35.*

What kind of information should I get from a school?

- Ask about the school's **accreditation,*** licensing and campus security.
- Find out the school's loan default rate (the percentage of students who attended the school, took out federal student loans and failed to repay their loans on time). You might not be able to get aid from some of our programs at a school that has a high default rate.
- Find out the school's job placement rates (the percentage of students who are placed in jobs relevant to their courses of study).

If the school advertises its job placement rates, it must also publish:

- the most recent employment statistics,
- graduation statistics, and
- any other information necessary to back up its claims.

This information must be made available at the time you apply for admission to the school.

Find out about financial aid at the school.

You have the right to receive the following information from the school:

- The location, hours and counseling procedures for the school's financial aid office.
- The financial aid assistance available, including federal, state, local, private and institutional financial aid programs.
- The procedures and deadlines for submitting applications for each available financial aid program.
- The school's criteria for selecting financial aid recipients.
- The school's process for determining your financial need.
- The school's process for determining the type and amount of assistance in your **financial aid package.***
- The method and timing of aid payments to you.
- The school's basis for determining whether you're making **satisfactory academic progress,*** and what happens if you're not. (Whether you continue to receive federal financial aid depends, in part, on whether you make **satisfactory academic progress.***)
- If you're offered a Federal Work-Study job, the nature of the job, the hours you must work, your duties, the pay and the method and timing of payment to you.

Find out the school's refund policy.

If you enroll but **never begin classes**, you should get most of your money back. If you begin attending classes but leave before completing your course work, you might be able to get some of your money back.

Find out the school's return-of-aid policy.

If you receive federal student aid from any program mentioned in this publication (except for Federal Work-Study), and you withdraw from school, some of that money might have to be returned by you or by your school. Even if you don't finish your course work, you'll have to repay the loan funds you received, minus any student loan funds your school has returned to your lender.

Find out the school's completion and transfer-out rates.

If many students withdraw from a school, it might indicate a problem with the school. A school is required to disclose to current and prospective students the percentage of its students who complete the school's programs and the percentage of students who transfer out.

Make sure you get the information you need and check out all of your options as you prepare for education after high school. It's never too early to get started pursuing a career, so *don't wait until the last minute to get started!* Know what to expect from the schools you're considering.

DID YOU KNOW ...

*You can create a FREE, personalized student account folder at our Web site Student Aid on the Web (**www.studentaid.ed.gov**). Just click on the "MyFSA" icon at the left side of the page and follow the instructions. Your personal account will allow you to do online college and scholarship searches and populate your FAFSA with information you enter for your account. It's entirely free as well.*

a2 REDUCING THE COST OF EDUCATION

Lower-cost schools
Work or volunteer opportunities
Tax breaks
Hope tax credit or Lifetime Learning tax credit

Lower-cost schools

If you'll be working toward a bachelor's degree, you might consider starting at a two-year community college and then transferring to a four-year school. Community colleges are usually less expensive than four-year schools. (Some four-year schools that are partially funded by local or state taxes can be less expensive as well.) Because attending a community college allows you to live at home, you can save money on room and board.

If you decide to start at a community college, make sure your community college courses will transfer to your four-year college and that they will count toward your bachelor's degree. *Discuss any concerns you have about transfer courses and credits with the college registrar.*

Work or volunteer opportunities

You can work part-time to pay part of your costs. Be sure your work and school schedules don't conflict and that you save enough time for studying.

Tax breaks

Certain borrowers can take a tax deduction for the interest actually paid on student loans. This benefit applies to all loans used to pay for postsecondary education school expenses. The maximum deduction is $2,500 a year.

Hope tax credit or Lifetime Learning tax credit

You or your parents might also qualify for one or both of these tax credits. See page 15 for additional information about tax credits, deductions and the Internal Revenue Service.

a3 FIRST THINGS FIRST: AM I ELIGIBLE?

Basic Requirements
Financial Need
Educational Requirements
Legal and Other Requirements
"Match" Requirements
Financial Need and Expected Family Contribution (EFC)
I think I have some special circumstances in my family. Are these considered in determining my financial needs?

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)" on page 4.

Educational Requirements

- 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, you can take an approved ATB test to determine whether you can benefit from the education offered at that school.
  - Meet other standards your state established and that we have approved.
  - Complete a high school education in a home school setting approved under state law.
- You must be enrolled or accepted for enrollment as a **regular student*** working toward a degree or certificate in an **eligible program**.*

- You must meet **satisfactory academic progress*** standards set by the postsecondary school you are or will be attending.

You may not receive aid for correspondence or telecommunications courses *unless* they are part of an associate's, bachelor's or graduate degree program.

Legal and Other Requirements

- You must be a **U.S. citizen** or **eligible noncitizen**.*
- You must have a valid Social Security number (SSN) (unless you're from the Republic of the Marshall Islands, the Federated States of Micronesia or the Republic of Palau). If you need a SSN, 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.**
- 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 withdraw from school, for example). You certify these items when you apply for federal student aid and sign a **promissory note*** to obtain these funds.
- You must comply with **Selective Service registration**.* If you're a male, aged 18 through 25 and you have not registered, you can, at the same time you complete your FAFSA, give the Selective Service System permission to register you by means of the FAFSA. You can also register online at **www.sss.gov** or call **1-847-688-6888. TTY users can call 1-847-688-2567.**

DRUG CONVICTION?
You must answer Question 31 on the FAFSA, "Have you ever been convicted of possessing or selling illegal drugs?" If you leave it blank, you automatically become ineligible for federal student aid.

DID YOU KNOW ...
Federal Student Aid issued $74 billion in new loans in 2004 (plus another $32 billion in consolidation loans). Ten million students in 6,200 postsecondary institutions received these loans.

- You may be eligible to receive federal student aid if you have been convicted under federal or state law of selling or possessing illegal drugs. For information or to find out about 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 student aid because of a drug conviction, you should still complete the FAFSA because most schools and states use FAFSA information to award nonfederal aid.
- You have limited eligibility for federal student aid while you're incarcerated. Generally, you're eligible only for a Pell Grant and then only if you're **NOT** incarcerated in a federal or state penal institution.

"Match" Requirements

When you apply for student financial aid from federal student aid 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 discrepancy must be resolved before you can receive federal student aid. We also check your records against our database, the **National Student Loan Data System (NSLDS)**,* to verify 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.

Financial Need and Expected Family Contribution (EFC)

Aid for most of our programs is awarded based on financial need (except for **unsubsidized Stafford Loans** and **PLUS Loans**).

DETERMINING YOUR FINANCIAL NEED

We use an **Expected Family Contribution*** (EFC) number to determine your financial need:

Cost of Attendance*
- Expected Family Contribution (EFC)

= Financial Need

The EFC is a measure of your family's financial strength and indicates how much of your and your family's financial resources **(for dependent students)** should be available to help pay for your education. EFC is calculated from the information you report on the FAFSA.

Your 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. Your family size and the number of family members who will be attending a college or career school are also considered. Your EFC will appear on the **Student Aid Report*** (SAR) you receive after you file your FAFSA.

To be eligible for a Federal Pell Grant, your EFC must be below 3,850 for the 2006-07 award year. This number can vary from year to year.

To determine your **financial need** for our other federal student aid programs (except for an unsubsidized Stafford Loan), 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.

The balance, after your school subtracts from the **cost of attendance*** your EFC, your Federal Pell Grant and any other financial aid you will be receiving, is your remaining need for other financial aid, including other federal aid.

HOW MUCH AID CAN I GET?
Because the EFC formula must be applied to each family's financial information, we cannot tell you here whether you will be eligible for federal student aid or estimate how much aid you might get. You must apply for financial aid to find out what you qualify for.

After you get your SAR, contact the financial aid office at the school(s) you're considering (or the school you'll be attending) for more information on your student financial aid eligibility.

If you want to see how the EFC formula works, you can get detailed worksheets from our Web site at **www.studentaid.ed.gov/pubs.** Click on the year under "The EFC Formula." You can also get these worksheets by contacting the Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243)**.

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 financial aid needs. However, because most federal student aid funds are limited, the total amount awarded to you might fall short of the amount for which you're eligible. 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, such as scholarships and state aid. Each school you apply to will send you a notice of the types and amounts of aid you're eligible for.

If you're eligible for financial aid, the financial aid office at each school will send you an **award letter*** outlining the amount and type of student financial aid available from all sources. Review the award letters you receive from all schools to compare the amounts and types of aid that will be available at each school.

I think I have some special circumstances in my family. Are these considered in determining my financial needs?

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

SPECIAL CIRCUMSTANCES
The financial aid administrator must have compelling reasons to use professional judgment to make adjustments because of special circumstances. You will have to provide adequate documentation to support any adjustments. The financial aid administrator's decision as to whether you have special circumstances is *final* and can't be appealed to us.

a4 WHAT KINDS OF FEDERAL STUDENT AID MIGHT I GET?

There are three types of federal student aid

Grants

There are two types of federal student aid grants

What is a Federal Pell Grant?

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

What's the difference between Federal Pell Grants and FSEOGs?

How much financial aid money can I get?

How will I be paid?

How often will I receive funds?

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

Work-Study

What kinds of jobs are there?

Are Federal Work-Study jobs on campus or off campus?

How much can I earn?

How will I be paid?

Can I work as many hours as I want?

Loans

Types of Loans

Student Loan Comparison Chart

What are the differences in these loan programs?

How do I apply for a Perkins or Stafford Loan?

How much can I borrow?

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

Other than interest, are there any fees or charges required to get these loans?

How will I be paid?

Can I cancel my student loan if I change my mind, even if I have signed the promissory note agreeing to the terms of the loans?

PLUS Loans (Parent Loan for Undergraduate Students)

How do my parents apply for a PLUS Loan?

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

What are the borrowing requirements my parents have to meet?

Are there any other requirements?

Do my parents need to find a lender?

How much can my parents borrow?

Do my parents get the PLUS Loan money or do I?

Can my parents cancel a PLUS Loan if they change their minds, even if they've signed the promissory note agreeing to the terms of the loan?

Other than interest, are my parents required to pay any fees or charges to get a PLUS Loan?

THERE ARE THREE TYPES OF FEDERAL STUDENT AID

- Grants—financial aid that doesn't have to be repaid (unless, for example, you withdraw from school and owe a refund).
- Work-Study—allows you to earn money for your education.
- Loans—allow you to borrow money for school. You must repay your loans, with interest.

GRANTS

There are two types of federal student aid grants:

- Federal Pell Grants and
- Federal Supplemental Educational Opportunity Grants (FSEOG).

DID YOU KNOW ...

If you have questions about any aspects of the federal student aid process, you can call the Federal Student Aid Information Center (FSAIC) at 1-800-4-FED-AID. Operators are standing by during normal business hours to take your call.

FEDERAL GRANTS HIGHLIGHTS

- **Are awarded based solely on financial need.**
- **Unlike loans, grants don't have to be repaid unless, for example, you are awarded funds incorrectly or you withdraw from school.**
- **The amount you receive depends on your financial need, cost of attendance* and enrollment status (full-time or part-time).**

What is a Federal Pell Grant?

- Pell Grants are the foundation of federal student financial 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 postbaccalaureate teacher certificate program.
- Amounts can change yearly.

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.
- Federal Pell Grant recipients receive priority for FSEOG awards.
- FSEOG awards range from $100 to $4,000 a year.

What's the difference between Federal Pell Grants and FSEOGs?

Federal Pell Grants:

- If you're eligible for a 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 the amount of your Pell Grant.

FSEOGs:

- Unlike Pell Grants, the amount of **FSEOGs** 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.
- Not all schools participate in the FSEOG program.
- The school's financial aid office decides how to award these funds.
- Each school participating in FSEOG receives a certain amount of FSEOG funds each year from the U.S. Department of Education. When all of those funds have been disbursed for that award year, no more FSEOG awards can be made for that year.
- **This is why it's so important to apply early to be considered for these funds. Not everyone who qualifies for an FSEOG might get one.**

How much financial aid money can I get?

Pell Grants

- Pell Grant award amounts can change yearly. Pell Grant awards for the 2006-07 award year (July 1, 2006, to June 30, 2007) will range from $400 to $4,050.
- How much grant aid *you* get depends on:
  - Your EFC.
  - Your **cost of attendance.***
  - Whether you're a full-time or part-time student.
  - Whether you attend school for a full **academic year*** or less.
- You may receive only one Pell Grant in an award year.
- 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.
  - 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.
- With your permission, credit your bank account.

How often will I receive funds?

- Schools must pay you at least once per term (semester, trimester or quarter).
- Schools that don't use formally defined, traditional terms (e.g., semester, quarter, etc.) must pay you 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. However, you will not receive as much as if you were enrolled full-time.

WORK-STUDY

FEDERAL WORK-STUDY HIGHLIGHTS

- Provides part-time employment while you are enrolled in school.
- Helps pay your educational expenses.
- Is available to undergraduate and graduate students.
- Is available to full-time or part-time students.
- Is administered by schools participating in the Federal Work-Study Program.
- Encourages community service work and work related to your course of study, whenever possible.

What kinds of jobs are there?

The Federal Work-Study Program provides jobs for students demonstrating financial need. The program encourages community service work and work related to the student's course of study.

DID YOU KNOW ...

Federal Student Aid processed 13.5 million FAFSAs in 2004. Eighty percent of these were filed electronically.

Are Federal Work-Study jobs on campus or off campus?

Both. 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 (e.g., a for-profit institution), there may be further restrictions on the types of jobs you can be assigned.**

How much can I earn?

You'll earn at least the current federal minimum wage. However, the amount might be higher depending on the type of work you do and the skills required for the position.

Your total Federal Work-Study award depends on:

- When you apply,
- Your level of financial need, and
- Your school's funding level. (We provide a certain amount of work-study funds; when all funds have been awarded, no additional work-study awards can be made for that year.)

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.
- Your school must pay you directly ***unless*** you request that the school:
  - send your payments directly 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. When assigning work hours, your employer or financial aid administrator will consider your class schedule and your academic progress.

LOANS

Student loans, unlike grants and work-study, are borrowed money that ***must*** be repaid, with interest, just like car loans and mortgages. You ***cannot*** have these loans canceled because you didn't like the education you received, didn't get a job in your field of study or because you're having financial difficulty. Loans are legal obligations, so before you take out a student loan, think about the amount you'll have to repay over the years.

Types of Loans:

- **Federal Perkins Loans are:**
  - Made through participating schools to undergraduate, graduate and professional students.
  - Offered by participating schools to students who demonstrate the greatest financial need (Federal Pell Grant recipients get top priority).
  - Made to students enrolled full-time or part-time.
  - **Repaid by you to your school.**
- **Stafford Loans** are for undergraduate, graduate and professional students. You **must** be enrolled as at least a half-time student to be eligible for a Stafford Loan.

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, availability 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 page 11) Financial need not necessary	Changes yearly; for 2005-06 was 5.3 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 dependency status); parents must not have negative credit history	Student's **Cost of Attendance*** - Other aid student receives = Maximum loan amount	Changes yearly; for 2005-06, was 6.1 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

Financial need is not a requirement to obtain a Stafford Loan. However, if you demonstrate financial need, the U.S. Department of Education will pay the interest that accrues on this loan during certain periods. These loans are 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)**. Eligible students and parents borrow directly from the U.S. Department of Education at participating schools. Direct Loans consist of Direct Stafford Loans, Direct PLUS Loans, and Direct Consolidation Loans. **You repay these loans directly to us**.

Federal Family Education Loan (FFEL) Program referred to as **FFEL Stafford Loans (or Federal Stafford Loans)**. Private lenders provide funds that are guaranteed by the federal government. FFEL Loans consist of FFEL Stafford Loans, FFEL PLUS Loans and FFEL Consolidation Loans. **You repay these loans to the bank or private lender that made you the loan**.

- **PLUS Loans** are loans parents can obtain for their dependent undergraduate children. These loans are made through either the Direct Loan or FFEL programs mentioned above.
- **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 Section "c4" for more information on these loans).

Whether you (or your parents) receive a Direct or a FFEL Stafford 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 Direct and FFEL Stafford Loans but not both types for the same period of enrollment.

What are the differences in these loan programs?

The chart on the previous page shows basic loan comparisons. More information is provided in this section. The Financial Aid Office at your school can explain which programs are available to you.

How do I apply for a Perkins or Stafford Loan?

As with all federal student financial aid, you apply for a Perkins or Stafford Loan by completing the FAFSA. A separate loan application is not required. However, you'll need to sign a **promissory note**,* which is a binding legal contract that says you agree to repay your loan according to the terms of the **promissory note.*** Read this note carefully before signing it and save a copy for your records.

How much can I borrow?

Perkins Loans

The **Student Loan Comparison Chart** shows the maximum Perkins Loan funds you can receive, depending on whether you're an undergraduate, graduate or professional student. **However, the amount you can borrow might be less than the maximum available.**

- Each school participating in the Federal Perkins Loan program receives a certain amount of Perkins funds each year from the U.S. Department of Education.
- When all available funds for that award year have been distributed, no more awards can be made for that year.
- Submit your FAFSA early so you can be considered for these funds.

Stafford Loans (Direct and FFEL)

The chart, **Maximum Annual Loan Limits Chart—Subsidized and Unsubsidized Direct and FFEL (Federal) Stafford Loans**, shows that your loan limits depend on:

- Whether you receive subsidized or unsubsidized Stafford Loans.
- What year you are in school.
- Whether you are a dependent student.

Subsidized Stafford Loan:

- Available to students who demonstrate financial need.
- Eligible students can borrow a subsidized FFEL or Direct Loan to cover some or all of their 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.
    - During a period of deferment (a postponement of loan payments).

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

Unsubsidized Stafford Loan:

- Available to students who do not have financial need.

MAXIMUM ANNUAL LOAN LIMITS CHART—SUBSIDIZED AND UNSUBSIDIZED DIRECT AND FFEL (FEDERAL) STAFFORD LOANS

	Dependent Undergraduate Student	Independent Undergraduate Student	Graduate/Professional Student
1st Year	$2,625	$6,625—No more than $2,625 of this amount may be in subsidized loans.	$18,500—No more than $8,500 of this 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, 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 the U.S. Department of Education.

- You might be able to borrow loan funds beyond your subsidized loan limit.
- The U.S. Department of Education does not pay interest on unsubsidized loans.

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 amount (if eligible)
- Any other financial aid you receive

= Amount of unsubsidized loan you can receive **(up to the annual maximum loan amount)**.

For an *unsubsidized* loan:

- You're responsible for paying the interest that accrues on the loan from the time the loan is disbursed until it's paid in full.
- You can pay the interest while you're in school or during a period of deferment or forbearance.
- Or, you can allow the interest to **accrue** (accumulate) and have the interest added to the principal amount of your loan. (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 as it became due.

You can receive a subsidized loan and an unsubsidized loan for the same enrollment period as long as the total of these loans does not exceed the annual loan limit.

Other than interest, are there any fees or charges required to get 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 Loans:

- 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 Loans:

- 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.

Student 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 have signed the **promissory note*** agreeing to the terms of the loan?

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.

PLUS Loans
(Parent Loan for Undergraduate Students)

Only parents of a dependent undergraduate student are eligible to apply for a PLUS Loan.

How do my parents apply for a PLUS Loan?

Direct PLUS Loan:

- The school you're attending must participate 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 the financial aid office at your school.

FFEL (Federal) PLUS Loan:

- The school you're attending must participate in the FFEL 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 not a requirement, parents are encouraged to have their dependent children submit a FAFSA, so their children can receive the maximum student financial aid they're eligible for.

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

No. Your parents 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.

What are the borrowing requirements my parents have to meet?

Generally, your parents must 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 the credit check agrees to endorse the loan and promises to repay it if your parents fail to do so.

Are there any other requirements?

You must meet the general eligibility requirements for federal student financial aid and your parents must also meet some of these general requirements.

For example:

- They must be citizens or **eligible noncitizens.***
- You or your parents cannot be in **default*** on a federal student loan.
- You or your parents cannot owe a refund on any federal student aid program.

DID YOU KNOW ...

Aid provided by the office of Federal Student Aid is the largest source of postsecondary financial aid in the nation, making up about 70 percent (in dollar value) of all aid granted nationwide.

Do my parents need to find a lender?

- **Direct PLUS Loan—No.** The U.S. Department of Education is the lender. Your school assists in administering the Direct Loan Program by:
  - Distributing the loan application,
  - Processing the loan, and
  - Disbursing the loan funds.
- **FFEL Program—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*** that serves your state.
  - For the address and telephone number of your state **guaranty agency,*** your parents can contact the Federal Student Aid Information Center at **1-800-4-FED-AID** (**1-800-433-3243**).

How much can my parents borrow?

The maximum amount your parents can borrow is your **cost of attendance* minus any other financial aid that you receive.**

Do my parents get the PLUS Loan money or do I?

- Your school first receives the loan funds and might require that your parents endorse a disbursement check and send it back to the school.
- Your school then applies the PLUS Loan funds to your tuition, fees, room and board and other school charges.
- If any loan funds remain, your parents will receive them either by check or in cash, unless they authorize the amount to be released to you or to be put into your school account.
- Any remaining loan funds must be used for your education expenses.

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

Yes. Your parents can cancel a PLUS Loan the same way you would cancel a Perkins or Stafford Loan.

Other than interest, are my parents required to pay any fees or charges to get a PLUS Loan?

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

LOAN SUMMARY

- You can be an undergraduate, graduate or professional student.
- You must be enrolled full-time or half-time.
- Student loans are borrowed money that ***must*** be repaid, with interest, just like car loans and mortgages.
- Student loans ***cannot*** be canceled because you didn't get—or didn't like—the education you received, didn't get a job in your field of study or because you're having financial difficulty.
- Loans are legal obligations, so think about the amount you'll have to repay over the years before you take out a loan.
- Parents may borrow under the PLUS Loan program to help pay the educational expenses of a **dependent undergraduate student** who is enrolled in an **eligible program*** at an eligible institution.
- The amount you can borrow depends on your academic level in school, whether you are full-time or part-time and whether you are a dependent or independent student.
- Students who demonstrate financial need are eligible for a subsidized Direct or FFEL Loan to cover some or all of that need.
- For students who are eligible for a subsidized Stafford 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).
- Unsubsidized Stafford Loans are available to students who do not demonstrate financial need. The U.S. Department of Education does not pay interest on unsubsidized loans.

a5 OTHER AID SOURCES

Free Federal Student Aid Information

Other Resources for Federal or Nonfederal Student Aid

- Financial aid administrator
- State Higher Education Agency
- AmeriCorps
- Robert C. Byrd Honors Scholarship Program (Byrd Program)
- Public libraries and the Internet
- Businesses and labor organizations
- Organizations, foundations, etc.
- U.S. Armed Forces
- U.S. Department of Veterans Affairs
- Internal Revenue Service (IRS)
- www.students.gov

Free Federal Student Aid Information

Most student financial aid comes from the U.S. Department of Education grant, work-study and loan programs you'll read about here. We award almost all aid based on your demonstrated financial need; your high school grades and class ranking are not considered in this process.

If you still have questions about federal student financial aid programs after reviewing this publication, you can:

- Go online to our Web site at **www.studentaid.ed.gov**. This site provides comprehensive, **FREE** information on the student aid process, and it links to other student aid-related sites.
- Call our Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243).**

Other Resources for Federal or Nonfederal Student Aid

Financial aid administrator

Talk to the financial aid administrator or the financial aid staff at each school you're interested in to find out about the school's financial aid programs and the total cost of attending that school.

State Higher Education Agency

Your state agency can give you important information about state aid—including aid from the **Leveraging Educational Assistance Partnership (LEAP) Program**, funded jointly by states and the U.S. Department of Education. See the "State Higher Education Agencies" section in this guide for your state contact information.

AmeriCorps

This program provides full-time educational awards in return for community service work. 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, contact:

Corporation for National Service
1201 New York Avenue, NW
Washington, DC 20525

1-800-942-2677
TTY Number: 1-800-833-3722
www.americorps.org

Robert C. Byrd Honors Scholarship Program (Byrd Program)

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

Public libraries and the Internet

These are excellent sources of information on state and private sources of financial aid. When using either source, search using keywords like "financial aid," "student aid," "scholarships," etc. Beware of scams and services that will search for financial aid money for you for a fee.

Businesses and labor organizations

Many companies, businesses and labor organizations have programs to help employees or members and their families pay the cost of postsecondary education. Ask if they have a scholarship program and about the application process.

Organizations, foundations, etc.

Foundations, religious organizations, fraternities or sororities and town or city clubs usually offer student financial aid. 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 also be helpful. For example, the American Medical Association and the American Bar Association are good sources for students seeking to specialize in medicine and law.

U.S. Armed Forces

The Armed Forces offer financial aid for service members and their families. For more information on recruitment incentives, contact your local military recruiter or visit the U.S. Department of Defense at **www.todaysmilitary.com,** click on "What You Get" and then go to "College Help."

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 available at **www.gibill.va.gov** or call **1-888-GI-BILL-1 (1-888-442-4551)**.

Internal Revenue Service (IRS)

The IRS offers student financial aid to certain taxpayers to help pay higher education expenses. The IRS offers two federal income tax credits (tax credits offer dollar-for-dollar reductions in your final 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, for virtually any postsecondary education and training. This applies to undergraduate, 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 **1-800-829-1040. TTY callers should call 1-800-829-4059**.

www.students.gov

This site provides access to government resources to help you plan and pay for your education. Besides finding financial aid information, you can use this Web site to file your taxes, search for a job and take advantage of other government services.

Remember, you can get FREE help from the sources we've mentioned in this section to find student financial aid, and you can check with the colleges or career schools you'll be applying to for their help. You don't have to pay for this help.

a6 IT'S A JUNGLE OUT THERE … BE CAREFUL

Scholarship Scams

What about scholarship search services?

How can I tell these search services aren't scams? Are there any signs I should look for?

Identity Theft

What is identity theft?

How can this happen?

What can I do about it?

Scholarship Scams

What about scholarship search services?

Many private scholarship search services provide sources of financial assistance. We do not evaluate those services. If you decide to use a search service, check its reputation by contacting the Better Business Bureau or a state attorney general's office.

You can search for scholarships yourself for free on our Web site at **www.studentaid.ed.gov**.

How can I tell these search services aren't scams? Are there any signs I should look for?

Be careful when searching for information on student financial aid. Estimates show that families lose millions of dollars every year to scholarship fraud. ***The College Scholarship Fraud Prevention Act*** protects 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."
- "You've been selected by a 'national foundation' to receive a scholarship."
- "You're a finalist" in a contest you never entered.

DID YOU KNOW …

Identity theft is a growing problem for all of us. Our team has worked hard to ensure that information exchanged over our Web sites is secure. To help you with security concerns, we have published a handout called "Student Aid and Identity Theft: Safeguard Your Student Aid Information." You can get it at 1-800-4-FED-AID.

Make sure the information you receive and offers for assistance are legitimate. Don't fall prey to fraud. To file a complaint with the FTC, 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 identity theft?

Identity theft is a widespread and growing national problem for everyone. This crime involves the theft of your personal information such as your name, address, telephone number and Social Security number. Identity thieves steal your personal information and ruin your credit. These thieves often run up thousands of dollars in credit card debt, just to name one problem, and the bills are sent to you for payment. Your credit rating can be ruined. Even though it's not your fault, you're the one who has to clean up the damage, which can take months or even years to correct.

How can this happen?

Identity theft occurs when someone inappropriately obtains personal identifying information about you, such as your Social Security number or driver's license number and uses that information to obtain credit cards, loans (including student loans) or merchandise and services in your name.

Identity thieves usually get this information from a personal computer that you used 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? Each of these transactions requires that you share personal information, such as your name, address and phone number and your bank and credit card numbers. Occasionally, this information falls into the wrong hands.

What can I do about it?

- **Don't throw credit card applications you don't want into the trash**. Cut them into several pieces, or shred them, so no one can retrieve them and apply for credit in your name.
- **Safeguard your Social Security number at all times.** 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. There probably is no legitimate reason for any business to need this type of information. Never give your Social Security number or driver's license number to anyone who calls you on the phone or contacts you online saying they need this information to verify your identity.
- 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 official U.S. Government Web sites that are protected from unauthorized disclosure. Keep your PIN, your online student identifier, in a secure place and never give it to anyone.

These are just a few steps you can take to protect yourself from identity theft. 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-MISUSED (1-800-647-8733)** or go to **www.ed.gov/misused**.

DID YOU KNOW ...

Federal Student Aid is one of only a handful of agencies in the federal government designated as Performance-Based Organizations (PBOs) by Congress. The result: greater productivity and efficiency than the conventional government agency. This allows our team the operational freedom and flexibility to focus on fulfilling our mission: ensuring that all eligible Americans can benefit from financial aid for education after high school.

DID YOU KNOW ...

Our team is responsible for much more than processing aid applications and issuing loans, though these are significant responsibilities in their own right. We also work closely with 3,000 or more private lenders that participate in our programs and more than 6,000 colleges and vocational schools that administer our funds. Part of this function is oversight: we're charged with making sure that they treat borrowers fairly and ethically.

Apply for your PIN. Complete your FAFSA. Receive your SAR.

For all the acronyms, it's really a pretty straightforward process. Okay; maybe it's not exactly pretty, but it **IS** straightforward, **IF** you take the time to see it through. After all, millions of students just like you apply successfully each year. So, go ahead. Apply. The results may surprise and delight you.

We've set everything up so you can apply and check the progress of your application online. (Although you can still do it the conventional way if you choose.)

In the case of student loans, there are a few points we should make up front. One, interest rates are far lower than those for commercial loans because the federal government subsidizes them. Repayment terms are liberal and in most instances you don't begin to repay until you leave school. And if you're worried about your credit history disqualifying you … don't … because the amount of your aid depends entirely on your financial need not your past history with creditors.

So … you can go for it, or you can hang back. The how-to is right here, but you have to supply the drive.

b1 GETTING YOUR PIN

What is a PIN and what is it used for?

Should I get a PIN if I'm not applying online?

How and when should I get a PIN?

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

What if I have questions about the PIN?

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

What is a PIN and what is it used for?

Your **Personal Identification Number (PIN)** is an electronic access code number that serves as your personal identifier.

Your PIN allows you to:

- Apply online for federal student aid, using *FAFSA on the Web.*
- "Sign" your application electronically and complete the student aid process completely online—no paper is involved.
- If you're a dependent student and one of your parents has a PIN, he or she can sign the application electronically online as well.
- Make online corrections to your FAFSA.
- Access your **Student Aid Report*** and make online corrections to it.
- "Sign" a master **promissory note*** for a federal student loan.
- Access your federal student aid records online, including your student loan history information on NSLDS.

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. But, even if you don't apply online, you can use a PIN later to:

- Look up your processed FAFSA data online.
- Make online corrections to your application information.
- Complete your renewal FAFSA online.

How and when should I get a PIN?

Go to **www.pin.ed.gov** anytime—you don't have to wait until you're ready to 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, your parents should request a PIN also, so you and your parent can electronically sign your *FASFA 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 this 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 site the only way I can get a PIN?

No. When you submit your FAFSA, (either online or paper), if certain personal data such as your Social Security number and date of birth match Social Security Administration records, we'll send you a PIN automatically. By getting a PIN early, you'll speed up the application process.

See "Important Terms," page 35.
*Terms frequently used in discussing financial aid throughout this publication will appear in **boldface** type with an asterisk, and you'll find a description of them under "Important Terms," beginning on page 35.*

What if I have questions about the PIN?

Go to **www.pin.ed.gov**. Or go to **www.studentaid.ed.gov**, click on "Get Your PIN" in the left column, right above the FAFSA logo. Or, call the Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243)**.

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

No. You can only request a PIN online or through a FAFSA application.

SAFEGUARD YOUR PIN AND REMEMBER IT!

- Your PIN is used to sign legally binding documents electronically. It has the same legal status as a written signature.
- Don't give your PIN to anyone—not even to someone helping you fill out the FAFSA.
- Make sure no one can get access to your student aid records or "sign" a FAFSA application with your PIN.
- **Remember your PIN!** You'll use this same PIN for future online FAFSAs and the many different actions we listed above regarding your student aid records.

b2 COMPLETING THE FAFSA

What information do I need to complete a FAFSA accurately?

Process for *New Applicants*

Can I apply online?

Why should I apply online?

What if I decide I want a paper FAFSA application?

Then what should I do?

Dependency Status

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

If I am a dependent student, whose information do I report if my parents are divorced or separated?

Do I report stepparent's information?

Process for *Renewal Applicants*

What if I need help filling out my FAFSA application?

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

What if I want to add or change schools later?

What information do I need to complete a FAFSA accurately?

- Your Social Security number and your parents' numbers, if you're a dependent student.
- 2005 W-2 forms and other records of money earned (by you and by your parents, if you're a dependent student).
- Your 2005 Federal Income Tax Return (and that of your spouse, if you're married).
- Your parents' 2005 Federal Income Tax Return (if you're a dependent student).
- Any foreign tax return or tax return from Puerto Rico.
- Your 2005 untaxed income records—examples include Social Security payments, Temporary Assistance to Needy Families, welfare or veterans benefits records.
- Your current bank statements, business and investment mortgage information; business and farm records; and stock, bond and other investment records.
- Your alien registration card (if you are not a U.S. citizen).

If possible, have the necessary 2005 income tax returns finished so you can complete the FAFSA more easily and accurately. If you apply before your tax return has been completed, 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 estimated income or tax information **was not accurate**.

You cannot receive federal student aid unless all your information is complete and accurate.

Read the FAFSA instructions very carefully. Pay close attention to questions on income because most errors occur in that area.

Process for *New Applicants*

Apply between Jan. 1, 2006, and July 2, 2007. To determine your eligibility for federal student financial assistance, you need to complete the FAFSA. Although you might have to complete an additional application in order to be considered for financial aid from your state or the school you're interested in attending, most states and schools use FAFSA information to award nonfederal student aid.

Can I apply online?

Yes. You can complete the FAFSA online at **www.fafsa.ed.gov**. Applying online is faster and easier than the paper FAFSA, although you may still complete and submit the FAFSA in paper form. A *FAFSA on the Web* worksheet is available online for you to print and write down your information prior to completing the online submission of the FAFSA. You can also obtain printed copies of the worksheet by calling **1-800-4-FED-AID** (**1-800-433-3243**) or by contacting a financial aid office.

APPLYING ONLINE

- Go online to **www.fafsa.ed.gov**.
- As an alternative, go online to **www.studentaid.ed.gov** and click on the FAFSA logo in the left column.
- If you have created a **"MyFSA"** account at **www.studentaid.ed.gov**, many sections of the FAFSA will automatically be completed for you, saving time and eliminating mistakes.

Why should I apply online?

- *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 access live online help with a customer service representative for free if you have additional questions.
- Once you submit your application, your information goes immediately into the U.S. Department of Education's Central Processing System (CPS). You'll get a confirmation notice right away when you click on "Submit My FAFSA Now."
- The CPS will process your application quickly, usually in three to five days, if you (and your parents, if applicable) provided electronic signatures using the PIN.

DID YOU KNOW ...

Our office generally prints about 10 times more paper FAFSAs than get submitted. Do yourself a favor: fill out and submit your FAFSA online at www.fafsa.ed.gov. If you need a paper form to record your responses first, use our FAFSA on the Web Worksheet. You can get it at 1-800-4-FED-AID.

What if I decide I want a paper FAFSA application?

You can get a paper FAFSA—in English or Spanish—from:

- Your local library,
- High school,
- College or career school you plan to attend, or
- Our Federal Student Aid Information Center by calling **1-800-4-FED-AID (1-800-433-3243)**.

Then what should I do?

- Mail the FAFSA in the preaddressed envelope that's in your FAFSA packet. **Your FAFSA will be processed in two to four weeks.** But, before mailing it, you should check to see if your school, or a school that you're interested in, would submit your FAFSA for you electronically.
- If you don't hear anything within four weeks of the date you submitted your application, check your status through *FAFSA on the Web* (**www.fafsa.ed.gov**). You can also check your status by contacting the Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243)**.

No paper or electronic FAFSA application will be accepted prior to Jan. 1, 2006. Any FAFSA application received before Jan. 1, 2006, will not be processed and will be rejected.

Dependency Status

When you file the FAFSA, the financial information you report will be used to determine if you need financial aid. That information will be used to determine whether you receive any type of need-based federal student aid and if eligible, how much federal financial aid you will receive. You'll need to determine whose information to report on the FAFSA—yours, if you're an independent student, or yours **and** your parents' if you are a dependent student.

When you apply for federal student aid, your answers to the questions in Step 3 of the paper FAFSA, or in Step 2 of the electronic online FAFSA, determine whether you are considered a dependent or independent student.

Dependent students must report their parents' income and assets on the FAFSA as well as their own. If you're considered a dependent student, your parents are expected to contribute toward the cost of your education. Federal student aid programs are based on the concept that a dependent student's parents have the primary responsibility for paying for their child's education.

DEPENDENCY STATUS

For the 2006-07 **academic year,*** you're an ***independent student IF at least one of the following applies to you:***

- You were born before Jan. 1, 1983.
- You are or will be enrolled in a master's or doctoral degree program (beyond a bachelor's degree) at the beginning of the 2006-07 **academic year.***
- You're married on the day you apply (even if you are 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 July 2, 2007.
- 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 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 apply to you, you're a dependent student.

DID YOU KNOW ...

FAFSA submissions reach their peak in March. For example, our team handles up to 800,000 applications a week during the first three weeks in March every year.

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

In unusual cases:

- An aid administrator can determine that a student who doesn't meet the above criteria should still be treated as an independent student.
- The financial aid administrator can change your dependency status from dependent to independent based on adequate documentation of your special circumstances.
- You must provide this documentation.
- The financial aid administrator cannot automatically change your status simply because you request it.
- The decision is based on the financial aid administrator's judgment of the facts of your situation and is ***final***.
- You cannot appeal that decision to us.

Independent students report their own income and assets (and those of a spouse, if married).

Not living with parents or not being claimed by them on tax forms does not determine dependency status for federal student aid.

If I am a dependent student, 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 you file your FAFSA application.
- If you didn't live with either parent, or if you lived with each parent an equal amount of time, then use information about the parent who provided the greater amount of financial support during the 12 months prior to the date you file your FAFSA 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.

Do I report stepparent's information?

Your stepparent's financial information is required on the FAFSA.

- If the parent you received financial support from was a single parent who is now married, or
- If the parent you received financial support from was divorced or widowed but has remarried.

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 financial resources. Including this information on the FAFSA helps us form an accurate picture of your family's total financial strength.

Process For *Renewal Applicants*

FOR THOSE WHO APPLIED IN 2005-06

- You'll have fewer questions to answer for 2006-07 because you'll complete a Renewal FAFSA that will contain much of the information you gave on your 2005-06 application.
- You'll update only the information that has changed since you filed the 2005-06 FAFSA application and fill in a few new answers.
- You can apply between Jan. 1, 2006, and July 2, 2007, but your state or school may have earlier deadlines for nonfederal aid, so check with your state or school. State contact information is provided at the end of this guide.

- In November or December 2005, you'll receive notice (e-mail or regular mail) reminding you to apply for the 2006-07 award year (July 1, 2006, to July 2, 2007).
- You'll access your Renewal *FAFSA on the Web* using your PIN. (**Note**: For 2006-07 all renewals must be submitted electronically. There are no paper renewal applications).
- Review the information on the Renewal FAFSA and change or add information as needed, sign and submit it.
- You'll then receive your **Student Aid Report*** (SAR) containing your application results.
- Review your SAR to make sure all your information is correct.
- Check with your financial aid administrator, or contact the Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243)** if you have questions about the FAFSA renewal process.
- **You must reapply for federal student aid every year.**
- **If you change schools, your aid doesn't automatically transfer with you.**
- **Check with your new school to find out what you need to do to continue receiving financial aid.**

Save all records and materials used to complete your FAFSA. Make a copy of your paper FAFSA application or print a copy of your *FAFSA on the Web* application. You might need them later to prove the information you reported was accurate.

The process of documenting the information you provided on the FAFSA is called verification. If your application is selected for verification and you do not provide the documents requested by your school, you will not receive federal student aid and you might not receive aid from other nonfederal sources.

What if I need help filling out my FAFSA application?

- Free assistance is built into the program if you apply online using *FAFSA on the Web* at **www.fafsa.ed.gov**. You can also get free live help online at this Web site.
- Free help is also available online at **www.studentaid.ed.gov/completefafsa**.
- Contact the Federal Student Aid Information Center **1-800-4-FED-AID (1-800-433-3243)** for assistance with any questions you have on either the paper or electronic FAFSA.
- Contact your high school guidance counselor or your college financial aid office.

Remember, you can get all the help you need for FREE from one of these sources. NEVER pay anyone for assistance in completing the online or paper FAFSA.

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

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

What if I want to add or change schools later?

Using your PIN, you can make changes online or you can call the Federal Student Aid Information Center **1-800-4-FED-AID (1-800-433-3243)**. If you call, you'll need your **Data Release Number (DRN)**, which is located on your SAR.

b3 WHAT'S A SAR AND WHY IS IT IMPORTANT?

After you apply for federal student financial aid, you'll get your FAFSA results.

What do I do with my SAR?

If you need to make corrections to the SAR …

Once my SAR is accurate and complete, how do I find out if I'm eligible for federal student financial aid and how much I'll receive?

Your **Student Aid Report*** (SAR) shows 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. Your EFC will appear in the upper right-hand portion of a paper SAR and at or near the top of an electronic SAR. You might not get an EFC if we need more information from you to process your data.

After you apply for federal student financial aid, you'll get your FAFSA results:

- You will receive your results by e-mail within a few days after your FAFSA has been processed, if you provided an e-mail address when you applied. This e-mail will contain a secure link so you can access your SAR online. 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; or
- You will receive a paper SAR by mail in a few weeks.

Whether you applied online or by paper, we will automatically send your data electronically to the schools you listed on your FAFSA.

What do I do with my SAR?

Review it carefully to make sure it's correct and complete. If it is, and it contains your EFC, contact the school(s) you're interested in attending. The school(s) you've selected to receive your SAR will use this information to determine if you're eligible for federal—and possibly nonfederal—student financial aid funds.

If you need to make corrections to the SAR:

- You can make them online using your PIN.
- Your school might be able to make them for you electronically (check with your school).
- Or, if you received a paper SAR, make any necessary corrections and return it for further processing.
- You can make a ***few*** changes to your SAR by calling the Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243)**.

  Here's what you can change over the phone:

  - Your address;
  - The names of schools that you want to receive your FAFSA information. You must provide your **Data Release Number (DRN)**, which is located on the SAR, in order to make this change;
  - Your answer to Question 31 (concerning a drug conviction).

For all other changes, you must resubmit your SAR for reprocessing, using one of the first three options above.

Once my SAR is accurate and complete, how do I find out if I'm eligible for federal student financial aid and how much I'll receive?

Contact the financial aid office at the school(s) you're interested in attending. If you're eligible for federal student financial aid, each school will send you an **award letter**.* The award letter tells you the types of financial aid they will offer and how much you will receive. This combination of aid is your **financial aid package**.* Review each award letter very carefully and compare how much aid you can receive at each school. Once you accept a school's award letter, sign it and return it to the school for processing.

SAR SUBMISSION DEADLINE

If the school you want to attend is not listed on your FAFSA, you must submit your SAR to that school for processing by the last day of enrollment in 2006-07 OR by Sept. 17, 2007, whichever comes first. Be sure you know what the last day of enrollment is at the school(s) you want to attend—that date could be earlier than Sept. 17.

C Repaying Your Student Loan

If you're a federal student loan recipient, there are two key points to remember. First, the interest you pay is lower than commercial rates because the federal government subsidizes the rate. Second, if you are a student borrower, you don't begin to repay the amount you borrowed until you leave school or drop below half-time.

As generous as these terms are, you shouldn't forget that you do have to repay your loan. Failure to do so could result in your loan(s) being declared delinquent. This could have a negative impact on your financial status and creditworthiness in the future. This section outlines repayment requirements and describes the special circumstances under which your obligation to repay can be reduced or forgiven.

C1 WHAT YOU NEED TO KNOW AS A BORROWER

Borrower's Responsibilities

- Think about how much you're borrowing
- Signing a promissory note means you agree to repay the loan
- Make payments regardless of receiving billing notices
- Continue to pay while waiting for deferment, forbearance or discharge approval
- Notify your lender or loan servicing agency when you …
- Receive entrance and exit counseling

Borrower's Rights

- Before the first loan disbursement
- Before you leave school
- Grace period
- Loan repayment schedule
- Sale of loan

BORROWER'S RESPONSIBILITIES

When you obtain a federal 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 student loan.
- If you don't repay your student loan on time or according to the terms in your **promissory note**,* you could **default*** on this legal obligation, which has serious consequences and will adversely affect your credit rating.

Signing a promissory note means you 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, for example, because the school closed).
- Also, you ***must*** repay your loan even if you can't get a job after you complete the program or you didn't like the education you paid for.

The U.S. Department of Education does not guarantee the quality of education you receive or that you will find a job in your field of study.

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. You're obligated to make payments even if you don't receive any reminders.
- You must also make monthly payments in the full amount required by your repayment plan. Partial payments do ***not*** fulfill your obligation to repay your student loan on time.

Continue to pay while waiting for deferment, forbearance or discharge approval

- If you apply for a deferment, forbearance or a loan discharge, you must continue to make payments until you have been notified that your request has been approved.
- If you don't, you might end up in **default**.*
- Keep a copy of any request form you submit, and document all contact you have with the firm that holds your loan.

See "Important Terms," page 35.
*Terms frequently used in discussing financial aid throughout this publication will appear in **boldface** type with an asterisk, and you'll find a description of them under "Important Terms," beginning on page 35.*

Notify your lender or loan servicing agency when you …

- Graduate;
- Withdraw from school;
- Drop below **half-time*** status;
- Change your name, address or Social Security number†; or
- Transfer to another school.

†Note: New Social Security numbers are issued only in very rare circumstances. See www.ssa.gov/ssnumber/ for rules on changing them.

Keep in touch with your lender or loan servicing agency.

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 borrowed 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.

BORROWER'S RIGHTS

You have certain rights as a borrower. Some of them are listed below.

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 current 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 repayment amount.
- An explanation of **default*** and its consequences.
- An explanation of available options for consolidating your loans and a statement that you can prepay your student loan(s) at any time without a penalty.

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 current 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.
- Notification that you must provide your expected permanent address and the name and address of your expected employer.
- Notification that 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.
- 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.

DID YOU KNOW …

Every year, Federal Student Aid's call centers handle more than 7,000,000 calls from students, parents and other interested callers. (You can reach our primary call center at 1-800-4-FED-AID.)

GRACE PERIOD (Active Duty Military)

Active duty U.S. military service members might have longer grace periods than those mentioned here and could have additional options to postpone repayment. If you're on active duty, contact the holder of your loan or loan-servicing agency for more information.

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.**
- Both the old and new lender must provide this notification. You must be given:
  - The identity of the new lender or agency holding the loan and
  - The address where you or your parents must send payments, and the telephone numbers of both the old and new lender or agency.

If you are attending school at least half-time,* you have a set 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.

C2 LOAN REPAYMENT

When do I start paying back my student loans?

How much time do I have to repay my student loans?

When do my parents begin repaying a PLUS Loan?

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

Do I have repayment options?

Examples of Typical Perkins Loan Repayments Chart

How do my parents repay their PLUS Loan?

Are there tax incentives for paying back student loans?

Examples of Typical Direct and FFEL Stafford Loan Repayments Chart

This section gives you basic information about loan repayment. For more information, go online to **www.studentaid.ed.gov** and click on the "Repaying" tab at the top. In addition, see our publication ***Repaying Your Student Loans***. Get the latest version online at **www.studentaid.ed.gov/pubs**. Or, you can request a paper copy from the Federal Student Aid Information Center by calling **1-800-4-FED-AID (1-800-433-3243)**.

When do I start paying back my student loans?

- **Federal Perkins Loans**—The grace period is **nine** months. However, if you're attending less than **half-time,*** check with your financial aid administrator to determine your grace period. During the grace period, you don't have to pay any principal, and you **won't** be charged interest.
- **Direct or 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. Remember, you can either pay the interest as you go along or it will be **capitalized*** (e.g., added to the principal loan balance) later.

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.*** Default occurs when you fail to meet the terms and conditions of the **promissory note,*** such as not making timely payments on the loan.

How much time do I have to repay my student loans?

- **Federal Perkins Loans**—Up to 10 years.
- **Direct and FFEL Stafford Loans**—Your repayment period varies from 10 to 30 years depending on whether the loan is a Direct or FFEL Stafford Loan. It also depends on which repayment plan you choose. When it comes time to start repaying your student loan(s), you can pick the plan that's right for your financial situation.

You'll get more information about repayment choices before you leave school (exit counseling), and later, during your grace period, from the holder of your loan(s).

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 starts to accrue as soon as 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 make payments?

Direct or FFEL Stafford Loan—Usually, you'll make monthly payments. Your repayment amount will depend on:

- The size of your debt,
- The length of your repayment period, and
- The repayment plan you choose.

Direct Stafford Loan:

- You'll make payments to us through our Direct Loan Servicing Center. Direct Loan borrowers can view and pay their bills online using their PIN at **www.dl.ed.gov**.

FFEL Stafford Loan:

- You'll repay the private lender that made you the loan.

Federal Perkins Loans:

- You'll make monthly payments to the school that loaned you the money.
- You'll have up to 10 years to repay your loan.
- **Federal Perkins Loans do not have different repayment plans.**

The chart below shows typical monthly payments and total interest charges for three different 5 percent Perkins Loan amounts over a 10-year period.

Do I have repayment options?

Yes. The repayment periods for Stafford Loans vary from 10 to 30 years depending on whether the loan is a Direct or FFEL 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 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 **Direct Stafford Loans**, this plan is called the Income Contingent

EXAMPLES OF TYPICAL PERKINS LOAN REPAYMENTS CHART

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

Repayment Plan; under **FFEL Stafford Loans**, this plan is called the Income-Sensitive Repayment Plan. The terms of these plans vary slightly.

KEY FACTS ABOUT REPAYMENT

- **If you don't choose a repayment plan when you first begin repayment, you'll be placed under the Standard Repayment Plan.**
- **You can change plans to suit your financial circumstances.**
- **Under the Direct Loan Program, you can change plans anytime.**
- **Under the FFEL Program, you can change plans once a year.**

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, **www.studentaid.ed.gov**.

The chart below shows repayment plans for both programs. The chart also shows estimated monthly payments for various loan amounts under each plan.

How do my parents repay 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 tax incentives for paying back student loans?

Yes. Tax benefits are available 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. Internal Revenue Service (IRS) Publication 970, ***Tax Benefits for Higher Education***, explains these credits and other tax benefits. You can get more information online at **www.irs.gov** or by calling the IRS at **1-800-829-1040. TTY callers can call 1-800-829-4059.**

EXAMPLES OF TYPICAL DIRECT AND FFEL STAFFORD LOAN REPAYMENTS[a] CHART

Monthly Payments and Total Amounts Repaid Under Different Repayment Plans

Total Debt When Borrower Enters Repayment	Standard[b]		Extended[c] *(20 years used as example)*		Graduated *(20 years used as example)*		For Direct Loans Only: Income Contingent[d] (Income = $25,000) Single		Married/HOH[e]	
	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

[a] *Payments are calculated using the maximum interest rate of 8.25 percent for student borrowers. For July 1, 2005, to June 30, 2006, the interest rate for loans obtained on or after July 1, 1998, and in repayment is 5.30 percent. Interest rates are adjusted each year on July 1.*

[b] *Equal and fixed monthly payments ($50 minimum).*

[c] *Loan amounts below $31,000 apply only to Direct Loans.*

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

[e] *HOH is Head of Household. Assumes a family size of two.*

C3 POSTPONING LOAN REPAYMENT (DEFERMENT AND FORBEARANCE)

What is deferment?

How do I qualify for a deferment?

Can my parents defer repayment of their PLUS Loan?

Loan Deferment Summary Chart

What is forbearance?

Applying for deferment or forbearance

Are there circumstances when I must be granted a mandatory forbearance?

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 forbearance for a loan in **default**.*

What is 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. 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.

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, **your parents will be charged interest during periods of deferment.** If they don't pay the interest as it accrues, it will be **capitalized*** (added to their outstanding principal balance).

The Loan Deferment Summary Chart below shows Direct/FFEL Stafford Loan deferments for loans disbursed on or after July 1, 1993. For information on deferments for loans received before that date, Direct Stafford Loan borrowers should contact the Direct Loan Servicing Center at **1-800-848-0979. TTY users should call 1-800-848-0983.** Or, go online at **www.dl.ed.gov**. FFEL Stafford borrowers should contact their lender.

For more information on deferments, contact your lender or the financial aid office at your school.

You MUST continue making payments on your student loan until you have been notified that your request for deferment has been granted. If you don't, and your deferment is not approved, you will become delinquent and may default* on your loan.

LOAN DEFERMENT SUMMARY CHART

Deferment Condition	Stafford Loans		Perkins Loans
	Direct Loans[a,b]	FFEL Loans[a,c]	
At least **half-time*** study at a postsecondary school	YES	YES	YES
Study in an approved graduate fellowship program or in an approved rehabilitation training program for the disabled	YES	YES	YES
Unable to find full-time employment (only on pre-July 1, 1993, loans)	Up to 3 Years	Up to 3 Years	Up to 3 Years
Economic hardship	Up to 3 Years[d]	Up to 3 Years[d]	Up to 3 Years[d]
Engages in service listed under discharge/cancellation conditions	NO	NO	YES[e]

[a] *For PLUS Loans and unsubsidized Stafford Loans, only principal is deferred. Interest continues to accrue.*

[b] *A Direct Loan borrower who has an outstanding balance on a FFEL disbursed before July 1, 1993, might be eligible for additional deferments provided the outstanding FFEL balance existed when the borrower received his or her first Direct Loan.*

[c] *Applies to loans first disbursed on or after July 1, 1993, to a borrower who has no outstanding FFEL or Federal Supplemental Loans for Students (Federal SLS) loan on the date he or she signed the **promissory note.*** (Note that the Federal SLS Program was repealed beginning with the 1994-95 award year.)*

[d] *Many Peace Corps volunteers, for example, will qualify for a deferment based on economic hardship.*

[e] *More information on teaching service deferments and cancellations can be found online at **www.studentaid.ed.gov.** At the site, click on the "Repaying" tab, and then click on "Cancellation and Deferment Options for Teachers."*

What is forbearance?

If you temporarily can't meet your repayment schedule but you're not eligible for a deferment, your lender might grant you forbearance for a limited and specific period of time. Forbearance occurs when your lender or loan-servicing agency agrees (in writing) to either temporarily reduce or postpone your student loan payments. Interest continues to accrue (accumulate), however, and you are responsible for paying it, **no matter what kind of loan you have.**

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

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 your loan or the school's servicing agent.
- **Direct Loans (includes Direct PLUS Loans)**—Contact the Direct Loan Servicing Center at **1-800-848-0979. TTY users should call 1-800-848-0983**. Or, go to **www.dl.ed.gov**.
- **FFEL Loans (includes FFEL PLUS Loans)**—Contact the lender or agency holding your loan.

Regardless of which type of federal student loan you have, you *must* pay the interest that accrues (accumulates) during any period of forbearance.

Are there circumstances when I must be granted a mandatory forbearance?

Yes. There are certain mandatory forbearances. Examples include borrowers who:

- are in a medical or dental internship or residency;
- have student loan payments that are 20 percent or more of their monthly income;
- have payments being made for them by the Department of Defense.

Contact your lender or loan-servicing agent for more information on the mandatory forbearance benefit.

C4 CONSOLIDATING YOUR LOANS

What is loan consolidation?

What kinds of loans can be consolidated?

When can I consolidate my loans?

How do I get a consolidation loan?

What's the interest rate on a consolidation loan?

Are there any disadvantages to getting a consolidation loan?

Where can I get more information on consolidation loans?

What is loan consolidation?

You can consolidate (combine) multiple federal student loans with various repayment schedules into one loan: either a FFEL Consolidation Loan or a Direct Consolidation Loan, making a single monthly payment.

With a consolidation loan:

- Your monthly payment might be lower.
- You can take a longer time to repay (up to 30 years).
- You will receive a fixed interest rate on your Direct or FFEL Consolidation Loan.

Loan consolidation occurs when you combine one or more eligible loans into one loan as either a FFEL Consolidation Loan or a Direct Consolidation Loan resulting in one monthly payment.

Compare the cost of repaying your unconsolidated loans with the cost of repaying a consolidation loan. Things to consider are:

- Whether you'll lose any borrower benefits if you consolidate, such as interest rate discounts or principal rebates, as these benefits can significantly reduce the cost of repaying your loans.
- Whether you might lose some discharge (cancellation) benefits if you include a Perkins Loan in your consolidation loan.

Carefully review your consolidation options before you apply.

Talk to the holder of your loan(s) for more information ***before*** you consolidate.

Your parents can also get a Direct or FFEL PLUS Consolidation Loan if they have obtained a PLUS Loan for you. PLUS Loans can only be consolidated once the loans have been fully disbursed.

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 federal student loans discussed in this guide are eligible for consolidation, and others can be included. To get a complete list of your loans that are eligible for consolidation, contact your lender or the agent servicing your loan(s).

If you're applying for:

- **FFEL Consolidation Loan**—Contact your lender or the agent servicing your loan(s).
- **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, go to **www.loanconsolidation.ed.gov**.

When can I consolidate my loans?

For both FFEL and Direct Loans you can consolidate:

- During your grace period.
- Once you've entered repayment.
- During periods of deferment or forbearance.
- While you're in school. However, you must be attending at least **half-time.*** (Caution: with FFEL Consolidation Loans, if the original loans were never in repayment, it is the lender's option to grant the consolidation.)

Direct Consolidation Loans *only*:

- You must have at least one Direct **OR** FFEL Stafford Loan. Generally, your loan is in an in-school period if you have been continuously enrolled at least **half-time*** since the loan was disbursed.
- If the school you're attending **does not** participate in the Direct Loan Program, at least one of the loans you consolidate must be a Direct Loan.

How do I 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 want to consolidate, you should obtain your consolidation loan from that loan holder.
- **Direct Consolidation Loan**—You (or your parents, if they want a Direct PLUS Consolidation Loan) can contact the Direct Loan Origination Center's Consolidation Department at **1-800-557-7392**, or go to **www.loanconsolidation.ed.gov**. **TTY users may call 1-800-557-7395**.

To get a consolidation loan, you must consolidate at least one Direct Loan or one FFEL Loan. (For example, if you have *only* Federal Perkins Loans, you can't get a consolidation loan.) If you don't have a Direct Loan, but you have an FFEL Loan, you must first contact your FFEL lender about getting a FFEL Consolidation Loan, before contacting the Direct Loan Consolidation Department.

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 all of the loans you consolidate, rounded up to the nearest one-eighth of 1 percent. The interest rate will never exceed 8.25 percent for student loans and 9.0 percent for PLUS Loans.

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 have a longer period of time to repay, you'll pay more interest. In fact, consolidation can double total interest expense. So, compare.

Where can I get more information on consolidation loans?

- You'll get 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.

- You can read more about loan consolidation in our publication ***Repaying Your Student Loans***. You can get a copy online at **www.studentaid.ed.gov/pubs** or a paper copy by contacting the Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243)**.

Once made, consolidation loans cannot be revoked for any reason (e.g., because the applicant divorces or changes his or her mind, etc.) because the underlying loans that were consolidated have been paid off and no longer exist.

C5 LOAN DISCHARGE (CANCELLATION)

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

What qualifies my loan for discharge?

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

Can my parents ever have their PLUS Loan discharged (canceled)?

The same rules that apply to you, also apply to your parents' PLUS Loan

Perkins Loan Discharge (Cancellation) Summary Chart

Direct/FFEL Stafford Loan Discharge (Cancellation) Summary Chart

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

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

Your loan cannot be canceled because you didn't:

- **Complete the program of study at the school (unless you could not complete the program for a valid reason, for example, because the school closed),**
- **Like the school or program of study, or**
- **Obtain employment after completing the program of study.**

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 the following two charts: Perkins Loan Discharge (Cancellation) Summary (page 32) and Direct/FFEL Stafford Loan Discharge (Cancellation) Summary (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 loan servicing agent.
- **Direct Stafford Loans**—Contact the Direct Loan Servicing Center at **1-800-848-0979. TTY users can call 1-800-848-0983**. Or, go to **www.dl.ed.gov**.
- **FFEL Stafford Loans**—Contact your lender or its loan servicing agent.

Can my parents ever have their PLUS Loan discharged (canceled)?

Generally, if any of the conditions listed in the Direct/FFEL Stafford Loan Discharge (Cancellation) Summary Chart applies to ***you***, your parents can have the FFEL or Direct PLUS Loan they borrowed for you discharged.

The same rules that apply to you, also apply to your parents' PLUS Loan:

- A PLUS Loan cannot be canceled because you didn't complete your program of study at your school (unless, for example, you couldn't complete the program because the school closed).
- A PLUS Loan cannot be canceled because you didn't like your school or the program of study.
- A PLUS Loan cannot be canceled because you didn't obtain employment after completing the program of study.

PERKINS LOAN DISCHARGE (CANCELLATION) SUMMARY CHART

Cancellation Conditions[a]	Amount Forgiven
Bankruptcy (in rare cases—cancellation is possible only if the bankruptcy court rules that repayment would cause undue hardship)	100 percent
Closed school (before student could complete program of study)—applies to loans received on or after Jan. 1, 1986	100 percent
Borrower's total and permanent disability[b] or death	100 percent
Full-time teacher in a designated elementary or secondary school serving students from low-income families[c]	Up to 100 percent
Full-time special education teacher (includes teaching children with disabilities in a public or other nonprofit elementary or secondary school)[c]	Up to 100 percent
Full-time qualified professional provider of early intervention services for the disabled	Up to 100 percent
Full-time teacher of math, science, foreign languages, bilingual education, or other fields designated as teacher shortage areas	Up to 100 percent
Full-time employee of a public or nonprofit child- or family-services agency providing services to high-risk children and their families from low-income communities	Up to 100 percent
Full-time nurse or medical technician	Up to 100 percent
Full-time law enforcement or corrections officer	Up to 100 percent
Full-time staff member in the education component of a Head Start Program	Up to 100 percent
Vista or Peace Corps volunteer	Up to 70 percent
Service in the U.S. Armed Forces	Up to 50 percent in areas of hostilities or imminent danger

[a] *As of Oct. 7, 1998, all Perkins Loan borrowers are eligible for all cancellation benefits regardless of when the loan was made or the terms of the borrower's* ***promissory note.**** *However, this benefit is not retroactive to services performed before Oct. 7, 1998.*

[b] *Total and permanent disability is defined as the inability to work and earn money because of an illness or injury that is expected to continue indefinitely or to result in death. If you are determined to be totally and permanently disabled based on a physician's certification, your loan will be conditionally discharged for up to three years. This conditional discharge period begins on the date you became totally and permanently disabled, as certified by your physician. During this conditional discharge period, you do not have to make payments on your loan(s). To qualify for a final discharge due to total and permanent disability, you must meet the following requirements during the conditional discharge period: (1) your earnings from employment must not exceed the poverty line amount for a family of two; and (2) you must not receive any additional loans under the FFEL, Direct Loan or Perkins Loan programs. If you do not continue to meet these requirements at any time during or at the end of the conditional discharge period, your loan(s) will be taken out of conditional discharge status and you must resume making payments on your loans. You cannot qualify for loan discharge based on a condition that existed before the loan was made, unless a doctor certifies that your condition substantially deteriorated after you obtained the loan. For more information on qualifying for this discharge, review your* ***promissory note**** *and Borrower's Rights and Responsibilities Statement or contact your loan holder.*

[c] *Detailed information on teaching service cancellation/deferment options can be found at* **www.studentaid.ed.gov**. *At the site, click on the "Repaying" tab, then on "Cancellation and Deferment Options for Teachers."*

DIRECT/FFEL STAFFORD LOAN DISCHARGE (CANCELLATION) SUMMARY CHART

Discharge/Forgiveness Conditions	Amount Discharged/Forgiven	Notes
Borrower's total and permanent disability or death[a]	100 percent	For a PLUS Loan, includes the death, but not disability, of the student for whom the parents borrowed.
Full-time teacher for five consecutive years in a designated elementary or secondary school serving students from low-income families	Up to $5,000 (up to $17,500 for teachers in certain specialties) of the total loan amount outstanding after completion of the fifth year of teaching. Under the Direct and FFEL Consolidation Loan programs, only the portion of the consolidation loan used to repay eligible Direct Loans or FFEL Loans qualifies for loan forgiveness.	For Direct and FFEL Stafford Loans received on or after Oct. 1, 1998, by a borrower with no outstanding loan balance as of that date. At least one of the five consecutive years of teaching must occur after the 1997-98 academic year. To find out whether your school is considered a low-income school, go to **www.studentaid.ed.gov**. Click on the "Repaying" tab, then click on "Cancellation and Deferment Options for Teachers." Or, call 1-800-4-FED-AID (1-800-433-3243).
Bankruptcy (in rare cases)	100 percent	Cancellation is possible only if the bankruptcy court rules that repayment would cause undue hardship.
Closed school (before student could complete program of study) or false loan certification	100 percent	For loans received on or after Jan. 1, 1986
School does not make required return of loan funds to the lender	Up to the amount that the school was required to return	For loans received on or after Jan. 1, 1986

[a]*Total and permanent disability is defined as the inability to work and earn money because of an illness or injury that is expected to continue indefinitely or to result in death. If you are determined to be totally and permanently disabled based on a physician's certification, your loan will be conditionally discharged for up to three years. This conditional discharge period begins on the date you became totally and permanently disabled, as certified by your physician. During this conditional discharge period, you do not have to make payments on your loan(s). To qualify for a final discharge due to total and permanent disability, you must meet the following requirements during the conditional discharge period: (1) your earnings from employment must not exceed the poverty line amount for a family of two; and (2) you must not receive any additional loans under the FFEL, Direct Loan or Perkins Loan programs. If you do not continue to meet these requirements at any time during or at the end of the conditional discharge period, your loan(s) will be taken out of conditional discharge status and you must resume making payments on your loans. You cannot qualify for loan discharge based on a condition that existed before the loan was made, unless a doctor certifies that your condition substantially deteriorated after you obtained the loan. For more information on qualifying for this discharge, review your* ***promissory note**** *and Borrower's Rights and Responsibilities Statement or contact your loan holder.*

IMPORTANT TERMS

Ability-to-Benefit

One of the criteria used to establish student eligibility in order to receive Title IV program assistance is that a student must have earned a high school diploma or its equivalent. Students who are not high school graduates (or who have not earned a **General Education Development [GED] Certificate***) can demonstrate that they have the "ability to benefit" from the education or training being offered by passing an approved ability-to-benefit (ATB) test.

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 full-time undergraduate 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.

Accreditation

The school must have accreditation from an accrediting body recognized by the U.S. Department of Education to be eligible to participate in the administration of federal student aid programs. Accreditation means that the school meets certain minimum academic standards, as defined by the accrediting body.

Award Letter

An award letter from a school states the type and amount of financial aid the school is willing to provide if you accept admission and register to take classes at that school.

Capitalized

With certain loans, such as subsidized FFEL Loans, the U.S. Department of Education pays the interest that accrues on these loans while the student is enrolled at least **half-time*** and during periods of deferment. However, with subsidized loans in forbearance, unsubsidized loans or PLUS Loans, the student or the student's parents are responsible for paying interest as it accrues on these loans. When the interest is not paid, it is capitalized or added to the principal balance, which increases the outstanding principal amount due on this loan. Interest that is capitalized and therefore has been added to the original amount of the loan subsequently accrues interest, adding an additional expense to the loan.

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 and personal 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 may affect your credit rating for as long as seven years. For example, you might find it 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 may be liable for loan collection expenses. If you return to school, you're not entitled to receive additional federal student financial 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 (Permanent Resident Card)

If you're not in one of these categories, 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)
- "Parolee" (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 that you intend to become a U.S. citizen or permanent resident.)

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

Also, people with G series visas (pertaining to international organizations) are not eligible for federal student financial aid. 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 office 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 financial 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 federal student financial 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 a Federal Perkins Loan, Federal Work-Study, a Stafford Loan, or your parents can get a PLUS Loan, while you're enrolled in that program.

Expected Family Contribution

Your Expected Family Contribution (EFC) is the number that's used to determine your eligibility for federal student financial aid. This number results from the financial information you provided in your FAFSA application. Your EFC is reported to you on your **Student Aid Report*** (SAR).

Financial Aid Package

The total amount of financial aid (federal and nonfederal) a student is offered by the school. The financial aid administrator at a postsecondary institution combines various forms of aid into a "package" to help meet a student's education costs. 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 needs to cover the full **cost of attendance.*** 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

This is a certificate students receive if they've passed a specific, approved high school equivalency test. Students who have a GED may 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 guaranty agency is an organization that administers the Federal Family Education Loan (FFEL) Program in your state. This agency is the best source of information on FFEL Loans. For the name, address, and telephone number of the agency serving your state, you can contact the Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243)**.

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 by 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 by 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)

NSLDS is our database for federal student financial aid where you can find out about the aid you've received. If you've only just applied for aid, you won't find any information on NSLDS yet. NSLDS receives data from schools, **guaranty agencies*** 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, you can get information on federal loan and Pell Grant amounts, outstanding balances, the status of your loans and disbursements made. You can access NSLDS at **www.nslds.ed.gov**.

Promissory Note

A promissory note is a 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 deferment and cancellation provisions are available to the borrower. 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 or at other times when you need information about provisions of the loan, such as deferments or forbearances.

Regular Student

A regular student is 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 federal student financial aid from the programs discussed in this guide, you must be a regular student. There are exceptions to this requirement for some programs.

Satisfactory Academic Progress

To be eligible to receive federal student financial 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 financial 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 System. (Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau are exempt from registering.)

Student Aid Report

After you apply for federal student financial aid, you'll get your FAFSA results in an e-mail report within a few days after your FAFSA has been processed or by mail in a few weeks. This report is called a Student Aid Report or SAR. Your SAR details all the information you provided on your FAFSA. If there are no corrections or additional information you must provide, the SAR will contain your **Expected Family Contribution*** (EFC), which is the number that's used to determine your eligibility for federal student aid. Whether you applied online or by paper, we will automatically send your data electronically to the schools you listed on your FAFSA.

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. For updated information, you can search the U.S. Department of Education's database at **www.studentaid.ed.gov.** At the Web site, click on "Funding," then look under "State Aid."

You can contact an agency by calling the telephone number or online at the Web site listed below:

Alabama
Alabama Commission
on Higher Education
Phone: (334) 242-1998
Web site: www.ache.state.al.us

Alaska
Alaska Commission
on Postsecondary Education
Phone: (907) 465-2962
Toll-free: 1-800-441-2962
Web site:
www.alaskaadvantage.state.ak.us

Arizona
Arizona Commission
for Postsecondary Education
Phone: (602) 258-2435
Web site: www.azhighered.org

Arkansas
Arkansas Department
of Higher Education
Phone: (501) 371-2050
Toll-free: 1-800-54-STUDY
Web site: www.arkansashighered.com

California
California Student Aid Commission
Phone: (916) 526-7590
Toll-free: 1-888-224-7268
Web site: www.csac.ca.gov

Colorado
Colorado Commission
on Higher Education
Phone: (303) 866-2723
Web site: www.state.co.us/cche

Connecticut
Connecticut Department
of Higher Education
Phone: (860) 947-1855
Toll-free: 1-800-842-0229
Web site: www.ctdhe.org

Delaware
Delaware Higher
Education Commission
Phone: (302) 577-5240
Toll-free: 1-800-292-7935
Web site:
www.doe.state.de.us/high-ed

District of Columbia
State Education Office
(District of Columbia)
Phone: (202) 727-2824
Toll-free: 1-877-485-6751
Web site: www.seo.dc.gov

Florida
Office of Student Financial Assistance,
Florida Department of Education
Toll-free: 1-888-827-2004
Web site:
www.floridastudentfinancialaid.org

Georgia
Georgia Student
Finance Commission
Phone: (770) 724-9000
Toll-free: 1-800-505-4732
Web site: www.gsfc.org

Hawaii
Hawaii Department of Education
Web site: www.doe.k12.hi.us

Idaho
Idaho State Board of Education
Phone: (208) 334-2270
Web site: www.boardofed.idaho.gov

Illinois
Illinois Student
Assistance Commission
Toll-free: 1-800-899-4722
Web site: www.collegezone.com

Indiana
State Student Assistance
Commission of Indiana
Phone: (317) 232-2350
Toll-free: 1-888-528-4719
Web site: www.ssaci.in.gov

Iowa
Iowa College Student
Aid Commission
Phone: (515) 242-3344
Toll-free: 1-800-383-4222
Web site: www.iowacollegeaid.org

Kansas
Kansas Board of Regents
Phone: (785) 296-3421
Web site: www.kansasregents.org

Kentucky
Kentucky Higher
Education Assistance Authority
Phone: (502) 696-7200
Toll-free: 1-800-928-8926
Web site: www.kheaa.com

Louisiana
Louisiana Office
of Student Financial Assistance
Toll-free: 1-800-259-5626
Web site: www.osfa.state.la.us

Maine
Finance Authority of Maine
Phone: (207) 623-3263
Toll-free: 1-800-228-3734
Web site: www.famemaine.com

Maryland
Maryland Higher Education
Commission
Phone: (410) 260-4500
Toll-free: 1-800-974-1024
Web site: www.mhec.state.md.us

Massachusetts
Massachusetts Board
of Higher Education
Phone: (617) 727-9420
Web site: www.osfa.mass.edu

Michigan
Michigan Higher Education
Assistance Authority
Toll-free: 1-888-447-2687
Web site:
www.michigan.gov/mistudentaid

Minnesota
Minnesota Office
of Higher Education
Phone: (651) 642-0567
Toll-free: 1-800-657-3866
Web site: www.ohe.state.mn.us

Mississippi
Mississippi Office
of Student Financial Aid
Phone: (601) 432-6997
Toll-free: 1-800-327-2980
Web site: www.ihl.state.ms.us

Missouri
Missouri Department
of Higher Education
Phone: (573) 751-3940
Toll-free: 1-800-473-6757
Web site: www.dhe.mo.gov

Montana
Office of the Commissioner
of Higher Education
Phone: (406) 495-7711
Toll-free: 1-800-892-2761
Web site: www.oche.montana.edu

Nebraska
Nebraska Coordinating Commission
for Postsecondary Education
Phone: (402) 471-2847
Web site: www.ccpe.state.ne.us

Nevada
Nevada Department of Education
Phone: (775) 687-9228
Web site: www.doe.nv.gov

New Hampshire
New Hampshire Postsecondary
Education Commission
Phone: (603) 271-2555, ext. 356
Web site: www.state.nh.us/
postsecondary

New Jersey
Commission on Higher Education
(New Jersey)
Phone: (609) 292-4310
Web site:
www.state.nj.us/highereducation

Higher Education Student
Assistance Authority of
New Jersey
Phone: (609) 588-3226
Toll-free: 1-800-792-8670
Web site: www.hesaa.org

New Mexico
New Mexico Higher
Education Department
Phone: (505) 476-6500
Toll-free: 1-800-279-9777
Web site: www.hed.state.nm.us

New York
New York State Higher
Education Services Corporation
Phone: (518) 473-1574
Toll-free: 1-888-697-4372
Web site: www.hesc.org

North Carolina
North Carolina State Education
Assistance Authority
Phone: (919) 549-8614
Toll-free: 1-866-866-2362
Web site: www.cfnc.org

North Dakota
North Dakota University System
Phone: (701) 328-4114
Web site: www.ndus.edu

Ohio
Ohio Board of Regents
Toll-free: 1-877-428-8246
Web site:
www.regents.state.oh.us/sgs

Oklahoma
Oklahoma State Regents
for Higher Education
Phone: (405) 225-9100
Toll-free: 1-800-858-1840
Web site: www.okhighered.org

Oregon
Oregon Student Assistance Commission
Phone: (541) 687-7400
Toll-free: 1-800-452-8807
Web site: www.osac.state.or.us

Pennsylvania
Office of Postsecondary and Higher Education (Pennsylvania)
Phone: (717) 787-5041
Web site:
www.pdehighered.state.pa.us

Rhode Island
Rhode Island Higher Education Assistance Authority
Phone: (401) 736-1100
Toll-free: 1-800-922-9855
Web site: www.riheaa.org

South Carolina
South Carolina Commission on Higher Education
Phone: (803) 737-2260
Web site: www.che400.state.sc.us

South Dakota
South Dakota Board of Regents
Phone: (605) 773-3455
Web site: www.sdbor.edu

Tennessee
Tennessee Student Assistance Corporation
Phone: (615) 741-1346
Web site: www.state.tn.us/tsac

Texas
Texas Higher Education Coordinating Board
Toll-free: 1-888-311-8881
Web site: www.collegefortexans.com

Utah
Utah State Board of Regents
Phone: (801) 321-7103
Web site: www.utahsbr.edu

Vermont
Vermont Student Assistance Corporation
Phone: (802) 655-9602
Toll-free: 1-800-642-3177
Web site:
http://services.vsac.org/ilwwcm/connect/vsac

Virginia
State Council of Higher Education for Virginia
Phone: (804) 225-2600
Web site: www.schev.edu

Washington
Washington State Higher Education Coordinating Board
Phone: (360) 753-7800
Web site: www.hecb.wa.gov

West Virginia
West Virginia Higher Education Policy Commission
Phone: (304) 558-2101
Web site: www.hepc.wvnet.edu

Wisconsin
Wisconsin Higher Educational Aids Board
Phone: (608) 267-2206
Web site: www.heab.state.wi.us

Wyoming
Wyoming Department of Education
Phone: (307) 777-7690
Web site: www.k12.wy.us

U.S. Territories

American Samoa
American Samoa Community College
Phone: (684) 699-9155*
Web site: www.ascc.as

Commonwealth of the Northern Mariana Islands
Northern Marianas College
Phone: (670) 234-3690*
Web site: www.nmcnet.edu

Federated States of Micronesia
Federated States of Micronesia Department of Education
Phone: (691) 320-2872*
Web site: www.literacynet.org/micronesia/doe.html

Guam
University of Guam
Phone: (671) 735-2287*
Web site: www.uog.edu

Puerto Rico
Puerto Rico Council on Higher Education
Phone: (787) 724-7100
Web site: www.ces.gobierno.pr

Republic of Palau
Republic of Palau Ministry of Education
Phone: (680) 488-2471*
Web site: www.palaumoe.net/school/post.htm

Republic of the Marshall Islands
Marshall Islands Scholarship Grant and Loan Board
Phone: (692) 625-5770*
Web site: www.rmischolarship.net

Virgin Islands
Virgin Islands Board of Education
Phone: (340) 774-0100

*** To call from the United States, dial 011 before the country code shown in parentheses.**

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OTHER FEDERAL STUDENT AID PUBLICATIONS

Read our other publications for more information. To get copies, contact the Federal Student Aid Information Center at **1-800-4-FED-AID (1-800-433-3243)** or go 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

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

Stafford Loan Forgiveness Program for Teachers

Describes the eligibility criteria for having a Stafford Loan forgiven for service as a teacher

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