

Free application for federal student aid

what's new on the 2000-2001 FAFSA?

- Question 28 gives instructions to students about convictions for drug offenses. In certain cases, students convicted of drug-related offenses may not be eligible to receive federal financial aid for a period of time.
- Questions 61-64 collect your parents' Social Security Numbers and last names. The Department of Education has the authority to verify income reported on the FAFSA with the Internal Revenue Service (IRS).
- Questions 66 and 87 ask for the number of people in your household who are attending college. This number no longer includes parents in college.

am I eligible for student aid?

The Department of Education uses the information provided on your FAFSA to determine your eligibility for aid from the federal Student Financial Assistance (SFA) programs described below. Many states and schools also use the FAFSA to award aid from their programs. Some states and schools may require you to fill out additional forms.

Some of the requirements to receive aid from federal SFA programs are that you must

- be a citizen or eligible noncitizen of the United States with a valid Social Security Number;
- have a high school diploma or a General Education Development (GED) certificate or pass an approved "ability to benefit" test;
- enroll in an eligible program as a regular student seeking a degree or certificate; and
- register (or have registered) for Selective Service, if you are a male between the ages of 18-25.

how do I apply for aid?

Completing the FAFSA is the first step in the financial aid process. It will take us 3-4 weeks to process your form and send you a Student Aid Report (SAR) by mail. Your SAR will summarize the data you report on your application. Please check this information carefully to make sure it is accurate. Keep a copy of your SAR and note your Data Release Number (DRN) in the upper right hand corner of the first page; you will need your DRN if you decide to apply to additional schools. If your FAFSA information is complete, an Expected Family Contribution (EFC) will be printed next to your DRN. Your EFC will be based on the financial information you provide on the FAFSA, and your school will use it to award your financial aid.

For additional help filling out the FAFSA, you can go to our "Completing the FAFSA" web site at www.ed.gov/prog_info/SFA/FAFSA

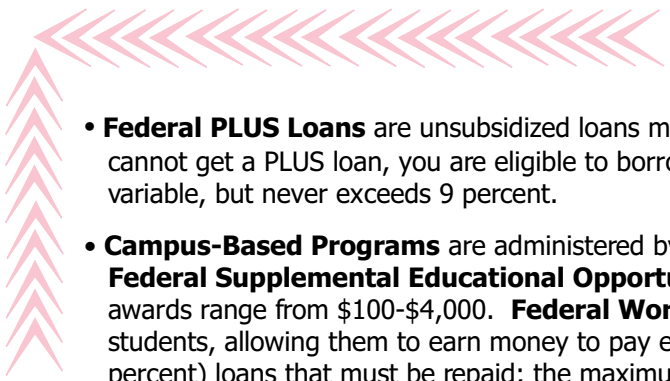
what are the SFA programs?

Your financial aid package is likely to include funds from the SFA programs. Note that not all schools participate in all SFA programs. These programs, described below, are administered by the U.S. Department of Education and provide over \$33 billion a year to students attending postsecondary schools:

- **Federal Pell Grants** are available to undergraduate students only. Grants do not have to be repaid. For the 1999-2000 school year, Federal Pell Grant awards ranged from \$400 to \$3,125.
- **Federal Stafford Loans** are student loans that must be repaid and are available to both undergraduate and graduate students. If your school participates in the William D. Ford Federal Direct Loan (Direct Loan) Program, the federal government provides the funds for your Stafford Loan. If your school participates in the Federal Family Education Loan (FFEL) Program, a private lender provides the funds for your Stafford Loan, although the federal government guarantees the loan funds. First-year undergraduates are eligible for loans up to \$2,625. Amounts increase for subsequent years of study, with higher amounts for graduate students. The interest rate is variable, but never exceeds 8.25 percent.

If you qualify (based on need) for a **subsidized** Stafford loan, the government will pay the interest on your loan while you are in school, during grace periods, and during any deferment periods. You are responsible for paying all of the interest that accrues on an **unsubsidized** Stafford Loan.



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- **Federal PLUS Loans** are unsubsidized loans made to parents. If you are independent or your parents cannot get a PLUS loan, you are eligible to borrow additional Stafford Loan funds. The interest rate is variable, but never exceeds 9 percent.
 - **Campus-Based Programs** are administered by participating schools. There are three of these programs. **Federal Supplemental Educational Opportunity Grants** are grants available for undergraduates only; awards range from \$100-\$4,000. **Federal Work Study** provides jobs to undergraduate and graduate students, allowing them to earn money to pay education expenses. **Perkins Loans** are low-interest (5 percent) loans that must be repaid; the maximum annual loan amount is \$4,000 for undergraduate students and \$6,000 for graduate students.

For more information about federal student aid, you can explore the Department of Education's web site at www.ed.gov/studentaid

how will I receive my financial aid?

The school to which you are applying will prepare a financial aid package to help meet your financial need. **Financial need** is the difference between your school's **cost of attendance** (including living expenses), as calculated by your school, and your **EFC**.

The amount of your financial aid award depends on whether you're a full-time or part-time student and whether you attend school for a full academic year or less. If you believe that you have special circumstances that should be taken into account, such as unusual medical or dental expenses or a significant change in income from one year to the next, contact the financial aid administrator at the school(s) to which you are applying.

Aid from the SFA programs will be paid to you through your school. The school will notify you of your aid package by sending you an award letter. Your aid awards will likely be disbursed each semester, quarter, or other payment period. Typically, your school will first use the aid to pay tuition and fee charges and room and board, if provided by the school. The remainder will be paid to you for your other expenses.

am I eligible for other education benefits?

There are two educational income tax credits that can reduce your or your family's federal taxes. They are based on your college tuition and fee charges. The Hope tax credit can be claimed during the first two years of college, up to a maximum of \$1,500 per year. The Lifetime Learning tax credit is available for any level of postsecondary study, up to a current maximum of \$1,000 per year. Note that only one type of credit (Hope or Lifetime Learning) may be claimed for a student in any given year. For more information about tax credits, you can visit the IRS web site at www.irs.gov

where can I find more information?

The financial aid office at the school you plan to attend is the best place to begin your search for free information. The financial aid administrator can tell you about student aid available from your state, the school itself, and other sources. The school is required to inform you of its aid procedures and deadlines, and how and when you'll receive your aid award. Be sure that you've read and understood each school's satisfactory academic progress policy and keep copies of your enrollment agreement, the school's catalog, and all financial aid documents (especially loan documents) you receive.

You can also find free information about federal, state, institutional, and private student aid in your local library's reference section (usually listed under "student aid" or "financial aid"). Student aid information may also be available from foundations, religious organizations, community organizations, and civic groups, as well as organizations related to your field of interest, such as the American Medical Association or American Bar Association. Check with your parents' employers or unions to see if they award scholarships or have tuition payment plans.

