

Federal Financial Aid Programs

Federally funded financial aid programs in the form of grants, loans, and work-study opportunities are available. Most Federal programs are designed for students with demonstrated financial need. The amount of a student's demonstrated need is based on a calculation derived from a student's FAFSA of the difference between what a student and his or her family can reasonably afford to contribute to the cost of attending college and the actual cost of attendance. Because the FAFSA is the basis of the calculation of need, all students must file a FAFSA prior to each year in which they wish to receive federal aid. Aid from Federal sources is renewable for up to twelve semesters of full-time study as long as recipients meet specified minimum academic performance requirements. (See the "Satisfactory Academic Progress" section below.)

Need-based grants are available through the **Federal Pell Grant** (up to \$6,895 annually) and **Federal Supplemental Educational Opportunity Grant** (up to \$1,000 annually) programs. The size of a student's awards depends upon the level of his or her demonstrated need. Federal grants do not have to be repaid.

Part-time work opportunities are also available to students through the **Federal Work-Study** program. Students must demonstrate financial need to receive funding through these programs, which allow students to work approximately 4 hours per week to earn money to use toward educational expenses. Students are paid the current state minimum wage. The College is careful to design work-study assignments so that they do not interfere with a student's studies.

Students with demonstrated financial need may also be awarded low-interest student loans through the **subsidized Federal Direct Loan program**. The maximum amounts that a student can borrow. And interest rates usually change from year to year. In general, however, students have up to ten years to repay the loan, and the Federal government makes interest payments on the loan during the time that a student is enrolled in college. Annual maximum loan levels for the subsidized Direct Loans – the most popular student loan program – are as follows: freshman year, \$3,500; sophomore year, \$4,500; junior and senior years, \$5,500. An origination fee of approximately 1% is deducted from all Direct Loans, which means the amount of loan that a student receives will be less than the amount requested.

Students without demonstrated need are eligible for loans through the **unsubsidized Federal Direct Loan** program. Maximum loan limits for unsubsidized loans are \$2000 higher than the subsidized limits for each class level listed, while interest rates and principal repayment terms and origination fees are the same as for the subsidized loan programs outlined above. The main difference between a subsidized loan and an unsubsidized loan is the Federal government does not cover students' interest payments while they are enrolled in college on an unsubsidized loan. A student can pay back interest on a quarterly or semi-annual basis, or can elect to defer interest payments until after college. If interest payments are deferred, the interest will be capitalized, which means the interest is added to the principal loan amount. Early principal repayment is allowed on either type without penalty.

Federal Direct PLUS (Parent) Loans are also available to parents of undergraduate students to assist with college financing. Maximum loan levels vary, and loans are only made to parents without adverse credit histories. If a parent is denied a PLUS loan, the student may borrow up to \$4,000 or \$5,000 in additional funds (depending on grade level) through the unsubsidized Federal Direct Student Loan program. Families are not required to demonstrate the financial need to receive funding through the PLUS loan program.

To retain their Federal aid, part-time students must meet the same credit hour and grade point average requirements as full-time students. The financial aid office will assess their progress in meeting credit hour requirements by pro-rating the number of hours in which they are enrolled as a percentage of the minimum credit hour requirement for full-time status, and extending the time allowable for degree completion by a proportionate amount. For further details concerning the financial aid eligibility of part-time students, please contact the financial aid office.

For additional information on Federal aid programs, students should contact the financial aid office.