FEDERAL AID PROGRAMS

Federal aid programs form the basic core of assistance for most students. To apply for federal aid, you must complete a Free Application for Federal Student Aid (FAFSA) form to have your eligibility for financial assistance determined.

Contact the financial aid office or your high school to obtain the FAFSA or apply through the internet at: www.fafsa.ed.gov. The FAFSA school code for Valley City State University is 003008. To be considered for assistance in the fall semester (2009), you should submit your completed FAFSA for processing as soon as you have completed your 2008 Federal Taxes.

FEDERAL PELL GRANT PROGRAM

Federal Pell Grants provide a foundation of financial aid to which assistance from other federal and non-federal sources may be added. These funds do not have to be repaid.

Federal Pell Grants are awarded to undergraduate students who demonstrate financial need, and meet the federal eligibility requirements.

For the 2008-2009 academic year, awards range from $890 to $4,731 based on need and federal allocation of funds.

FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT (FSEOG)

Like the Federal Pell Grant, an FSEOG does not have to be repaid. Unlike the Federal Pell grant, it is not received directly from the government. The federal government supplies VCSU with a limited amount of money for the purpose of awarding supplemental grants to its students. Once distributed, there are no additional funds for that year. This type of award is called a campus-based program because it is administered by VCSU.

FSEOG's are awarded to undergraduate students who demonstrate financial need and meet the federal eligibility requirements. Preference is given to Federal Pell Grant recipients and students with the highest demonstrated need.

Awards range from $200 to $900 per year depending upon need and availability of supplemental grant funds at VCSU.

FEDERAL WORK-STUDY PROGRAM (FWS)

Federal Work-Study is a federal, campus-based program offering students an opportunity to earn financial aid through work.

FWS is available to undergraduate students who demonstrate financial need and meet the federal eligibility requirements.

The amount you will be able to earn will depend on your demonstrated financial need, the availability of work-study funds at VCSU, and the amount of other assistance you are receiving.

FEDERAL PERKINS LOAN

The Federal Perkins Loan Program is a federal, campus-based program. Ninety percent of the funds for the program are provided by the federal government and ten percent by
VCSU. VCSU administers the program and determines who does and does not receive assistance. These funds must be repaid.

Federal Perkins Loans are awarded to undergraduate students who demonstrate financial need.

Due to limited funding, minimum/maximum amount of award can vary each year. First consideration will be given to full-time students.

The current interest rate is 5%, but is not charged until nine months after you graduate or leave school.

You must begin repaying your loan ten months after you leave school or drop below half-time status.

FEDERAL STAFFORD LOAN

Federal Stafford Loans are government-subsidized loans available to students through financial institutions. A state or private guarantee agency insures these loans.

Federal Stafford Loans are available to undergraduate and graduate students who demonstrate financial need and meet the federal eligibility requirements. Undergraduate applicants are required to have their eligibility for a Federal Pell Grant determined before they may be certified for a Federal Stafford Loan.

The maximum Federal Stafford limit for a freshman is $3,500, sophomore $4,500 and juniors/seniors $5,500. Accumulated Federal Stafford undergraduate borrowing cannot exceed $31,500 for an undergraduate degree.

Two fees are normally charged to the borrower and are deducted from your loan amount before you receive it; the origination fee and the guarantee fee. At present, these fees are subtracted by the lender from the total loan before the funds are disbursed.

While the borrower is in school at least halftime, interest on a Subsidized Stafford Loan is paid by the federal government on the borrower’s behalf. Repayment begins six months after you leave school or drop below half-time status. The minimum annual repayment is $600 ($50 monthly). You may have up to ten years to repay depending upon your loan size.

FEDERAL UNSUBSIDIZED STAFFORD LOAN

The Federal Unsubsidized Stafford Loan is designed to assist you in providing additional funds to meet the cost of funding your education when the federal need analysis requirements preclude you from borrowing under the Subsidized Stafford Loan program.

The interest on a Federal Unsubsidized Stafford Loan is due on a quarterly basis or may be capitalized on the principle of your loan while you are enrolled in school, during the grace period following the in-school period, during any deferment period and during repayment periods.

Repayment on the principal amount will begin six months after you cease to be enrolled at least halftime.

Deferments may be available to unsubsidized borrowers and are the same as those available for Federal Stafford borrowers.
The combined amounts borrowed under the Federal Stafford and Federal Unsubsidized programs cannot exceed the maximum levels listed in the subsidized program.

FEDERAL PARENT LOANS FOR UNDERGRADUATE STUDENTS

PLUS loans provide funds to parents to help meet the cost of your education. These funds are in addition to those received under the Stafford programs.

Parents of dependent undergraduate and dependent graduate students may be eligible for a PLUS loan.

Cost of education minus other financial aid equals the amount parents may borrow per year.

ADDITIONAL UNSUBSIDIZED STAFFORD LOAN

Independent students may be considered for an additional loan to help meet costs. Contact your financial aid administrator with additional concerns and for necessary application forms.

ALTERNATIVE LOANS

A number of private banks make available loans that are very similar in content to the Unsubsidized Loans. A student may borrow up to the budget established for an academic year. This loan is in addition to those funds already awarded either on campus or from outside sources. A borrow must have a credit history or have a credit-worthy co-signer on the loan(s). If you are interested in pursuing an alternative loan, please contact the Financial Aid Office for more information or applications (701) 845-7412.