

# 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 – [www.fafsa.ed.gov](http://www.fafsa.ed.gov) ) to have your eligibility for financial assistance determined. The FAFSA school code for Valley City State University is 003008. To be considered for assistance in the up-coming fall semester you should submit your completed FAFSA for processing as soon as you have completed your most recent Federal Taxes.

## **Federal Pell Grant Program**

Federal Pell Grants provide a foundation for 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 by meeting the federal eligibility requirements. For the 2010-2011 academic year, awards range from \$555 to \$5,550 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 for supplemental grant funds at VCSU.

## **Federal TEACH Grant**

The Teacher Education Assistance for College and Higher Education (TEACH) Grant Program provides grants of up to \$4,000 per year to students who intend to teach in a public or private elementary or secondary school that serves students from low-income families.

Strict eligibility requirements apply. Download the fact sheet at <http://studentaid.ed.gov/PORTALSWebApp/students/english/TEACH.jsp>

Students must plan to teach in 'high-need' fields such as Bilingual Education and English Language Acquisition, Foreign Language, Mathematics, Reading Specialist, Science, Special Education, and other identified teacher shortage areas of the of time you receive the grant or as of the time you begin teaching in that field. Teacher subject shortage areas (not geographic areas) are listed in ED's annual Teacher Shortage Area Nationwide Listing. To access the listing, visit [www.ed.gov/about/offices/liswt/ope/pol/ts.doc](http://www.ed.gov/about/offices/liswt/ope/pol/ts.doc).

## **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. One hundred 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 Direct Loan**

The Federal Direct Loan is a low interest loan made to eligible undergraduate and graduate students enrolled at least half-time. With Direct Loans you:

- Borrow directly from the federal government and have a single contact—the Direct Loan Servicing Center—for everything related to the repayment of your loans.
- Have online access to your Direct Loan account information 24 hours a day, 7 days a week at Direct Loans on the Web at: [www.studentloans.gov](http://www.studentloans.gov).
- Can choose from several repayment plans that are designed to meet the needs of almost any borrower, and you can switch repayment plans if your needs change.
- Have many deferment or cancellation options.

### **Direct Loan - Subsidized**

This loan is available to students with demonstrated financial need, as determined by federal regulations. No interest is charged while a student is in school at least half-time, during the grace period, and during deferment periods.

### **Direct Loan - Unsubsidized**

This loan is an alternative funding source for students who need additional funding to meet the cost of education. The Unsubsidized Direct Loan is not based on financial need; interest is charged during all periods, even during the time a student is in school and during grace and deferment periods.

### **Direct Loan Interest Rates**

Loans first disbursed between July 1, 1998, and June 30, 2006 have variable rates. Contact your loan holder for the current rate.

Loans first disburse on or after July 1, 2006, have fixed rates.

- Undergraduate Subsidized: 3.4%, effective 7/1/11
- Undergraduate Unsubsidized: 6.8%
- Graduate/Professional Subsidized & Unsubsidized: 6.8%

### **Direct Loan Fees and Rebates (subsidized & unsubsidized)**

Origination Fee: 1.0%

Up-Front Interest Rebate\*: 0.5%

*\*Please Note that the Up-Front Interest Rebate will be added back to the loan principal if the borrower does not make twelve (12) on-time monthly payments after the loan enters repayment.*

### **Federal Direct Parent Loans For Undergraduate Students (PLUS)**

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. Students must have on file a recent FAFSA and parents can apply for a Direct PLUS at:

<https://studentloans.gov/myDirectLoan/index.action>

### **Alternative Loans**

Some private lending institutions 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 out-side sources. A borrower must have a credit history or have a credit-worthy co-signer on the loan(s). Lenders may be researched on the internet but be sure you take the time to read all information regarding interest rates, repayment, etc. and then make an informed decision. A few tried and satisfactory lender 'links' that have worked with VCSU over the past five years can be found at:

<http://www.vcsu.edu/financialaid/vp.htm?p=296> VCSU does not recommend one lender over another and strongly encourages you to research each lender thoroughly.

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