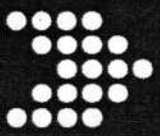
Federal Student Aid At a Glance



Considering Education Beyond High School

Whatever type of school beyond high school you attend—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 and repaying student loans.

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.

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 for this aid. The rest of this publication provides more detail of what you need to know.

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 $4,310 for 2007–08
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
Academic Competitiveness Grant (ACG)	Grant: does not have to be repaid	For undergraduates receiving Pell Grants who are U.S. citizens enrolled full-time in their first or second academic year* of study. For first academic year* students who have completed a rigorous secondary school program of study, graduated from high school after Jan. 1, 2006, and have not been previously enrolled in an undergraduate program. For second academic year* students who have completed a rigorous secondary school program of study, graduated from high school after Jan. 1, 2005, and have at least a 3.0 cumulative GPA at the completion of their first year of postsecondary study.	First academic year* students: up to $750 Second academic year* students: up to $1,300
National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)	Grant: does not have to be repaid	For undergraduates receiving Pell Grants, who are U.S. citizens enrolled full-time in their third or fourth academic year* of an eligible degree program majoring in physical, life, or computer sciences, engineering, technology, mathematics or a critical-need foreign language and have at least a 3.0 cumulative GPA.	Up to $4,000 for each of the third and fourth academic years*
Federal Work-Study (FWS)	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 degree 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 and have financial need.	$3,500 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.	$3,500 to $20,500 (less any subsidized amounts received for the same period), depending on grade level and dependency status
Direct or FFEL PLUS Loan	Loan: must be repaid	Available to parents of dependent undergraduate students and graduate and professional students enrolled at least half-time.* Financial need is not a requirement. PLUS Loans are unsubsidized: Borrower is responsible for interest during the life of the loan.	Maximum amount is cost of attendance* minus any other financial aid the student receives; no minimum award amount

The information in this guide was compiled in summer 2007. For any changes to the federal student aid programs since then, visit ***www.FederalStudentAid.ed.gov*** *and click on "Students, Parents and Counselors." Any new information will appear in the "Announcements" section.*

Most student financial aid comes from the federal government programs you'll read about here. The U.S. Department of Education's office of Federal Student Aid administers these programs. For other sources of student financial aid, see page 14.

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 help and you should be aware of scams and services that will search for financial aid for you for a fee. The *College Scholarship Fraud Protection Act* protects you from this type of fraud. We tell you how to protect yourself from scams on page 15.

*See "Important Terms," page 36.
Financial aid terms frequently used in this publication will appear with an asterisk.
You'll find a description of them under "Important Terms," beginning on page 36.

What is federal student aid?

Federal student aid is financial assistance through the U.S. Department of Education available to eligible students enrolled in an eligible programs* as regular students* at schools 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. (Note that accepting any Title IV student financial aid does not commit the student to military or other government service.)

HOW DO I APPLY FOR FEDERAL STUDENT AID?

STEP 1 Get free information and help from your school counselor, the financial aid office at the college or career school you plan to attend, or the U.S. Department of Education, Federal Student Aid at **www.FederalStudentAid.ed.gov** or **1-800-4-FED-AID (1-800-433-3243)**. Free help is available any time during the application process. You should never have to pay for help.

STEP 2 Get a Federal Student Aid PIN, a personal identification number. A PIN lets you apply, "sign" your online *Free Applicationfor Federal Student Aid* (FAFSA), make corrections to your application information, and more—all online. Apply for a PIN at **www.pin.ed.gov**.

STEP 3 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 4 Complete the FAFSA between Jan. 1, 2008 and June 30, 2009 (no exceptions to either date!). BUT, apply as soon as possible on or 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 5 Federal Student Aid will send you a *Student Aid Report* (SAR)—which is a summary of the information from your FAFSA. Review your SAR, and if necessary, make changes or corrections and submit 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 6 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 deadlines, or you will not receive federal student aid.

STEP 7 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 8 **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 and compare the aid being offered. Decide which school to attend based on a combination of (a) how well the school suits your needs (programs of study and academics) 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 most 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* (for most programs) 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 Educational 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 that your state establishes and that we have approved.
  - Complete a high school education in a homeschool 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 pages 4 and 5.)

FAFSA4caster

If you're not attending college this fall, but would like to find out how much federal student aid you might be eligible for, the *FAFSA4caster* is for you. This new product is for those who want to get an early start on the financial aid process. You can access *FAFSA4caster* at **www.FederalStudentAid.ed.gov**. For more information on *FAFSA4caster*, see page 3.

PROCESS SUMMARY CHART

PREPARE	APPLY	RECEIVE	REPAY
This guide gives you information about federal student aid programs, as well as other means of paying for your education after high school. Take what we say to heart ... and then take 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. It's a good idea to apply. 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 student loan provider) will tell you how much—and what sorts of—aid you qualify for.	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 left and right of each page provides a key to the primary topic —based on the Prepare-Apply-Receive-Repay cycle—covered in the text on that page.

PREPARE APPLY RECEIVE REPAY

*See "Important Terms," page 36.
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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.

What kind of information should I get from a school?

- Find out if the school participates in federal student aid programs.
- 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.

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.

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 financial aid payments made 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 student 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 given back to the source 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 students who complete the school's programs and the percentage of students who transfer out.

DID YOU KNOW ...
You can create a FREE, personalized student account folder at our Web site *Student Aid on the Web* at www.FederalStudentAid.ed.gov. Just click on the "MyFSA" icon at the "Students, Parents and Counselors" option 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.