Frequently Asked Questions About Financial Aid

What types of financial aid are available?

Type A: Need Based

Approximately 90% of all financial aid is need-based. The need is determined by a formula intended to equalize educational opportunity. All colleges distribute considerable financial aid in this category and require either the Family Financial Statement (FFS) or the Free Federal Financial Aid Form (FAFSA). This type includes grants and scholarships, which are sometimes called "gift aids" because you don't have to repay them or work to earn them. Grants are usually awarded on the basis of need alone, while scholarship recipients may have to meet qualifications other than (or in addition to) need.

Type B: Talent Based

Most colleges set aside a small amount of financial aid to be given out as Talent Scholarships. These are generally given in the areas of drama, music, speech, athletics, and academics. Talent scholarships are generally not too large unless additional financial need can be documented under Type A. These scholarships are generally handled by the specific department on the college campus. There are a variety of methods to follow in finding out about these scholarships:

- Contact the college's financial aid office
- Contact the chairman of the particular department to which you wish to apply for a scholarship
- Use a scholarship search computer program
- Contact the College Placement Department

Type C: Miscellaneous

Although many scholarships can be listed in this miscellaneous area, the total value of this category is relatively small as compared with Type A. Information about most of these is received and announced through the College Connection and applications are available there. Many civic and professional organizations, companies and youth and church groups have scholarships available.

Loans: Student loans are a form of "self-help aid". Loans are usually subsidized by the state or federal government or by colleges themselves, and they carry lower interest rates than commercial loans. They have to be repaid, generally after you have graduated from college.

Work Study: Another form of "self-help". The Federal Work Study Program is the best-known example of this "self-help aid". Students usually work 10 to 15 hours per week to earn their financial aid.

Most students get a "package" or a combination of gift aid and self-help aid from a variety of sources. The financial aid administrator at your college will help you put your package together.

How do I apply for financial aid?
Students must file a Free Application for Federal Student Aid (FAFSA) form early January of their senior year in high school. This is done once parents have completed their tax return. Forms can be filed online at http://www.fafsa.ed.gov

How do I get more information on financial aid?
You can get more information from Funding Your Education, published by the U.S. Department of Education. To get a free copy, write to:

Federal Student Aid Information Center
P.O. Box 84
Washington D.C. 20044
Internet address: http://www.ed.gov/prog_info/SFA/FYE

The U.S. Department of Education also has a toll-free number to answer questions about Federal student aid programs. That number is: 1-800-4-FEDAID (1-800-433-3243). If you are deaf or hearing impaired, and have a TTY or TDD, you may call toll-free 1-800-730-8913.

What is the formula for determining financial aid eligibility?
Eligibility for federal student aid funds is determined according to rules authorized by Congress. Family size, income, assets and number of family members enrolled in postsecondary education are among the factors taken into account.

With college costs so high, as well as the rising cost of living in general, shouldn't I just look for a less expensive alternative?
Not necessarily. Expensive colleges often have more financial aid to help families bridge the gap between costs and what they can afford to pay. Match your interests with colleges' academic programs first, and then see if you can find a way to pay for your first choice.