



Types of Financial Aid Available

“**Financial Aid**” is a general term that includes all types of money, loans, and work-study programs offered to students to help pay tuition costs and living expenses. The government provides us with the Free Application for Student Aid to determine loan, grant and scholarship eligibility. Eligibility is commonly based on performance, financial need, available funds, student classification, academic performance, and sometimes the timeliness of submitting the FAFSA (see “The FAFSA”). Awards from these programs may be combined in an “award package” to meet the cost of education—an Award Letter (that outlines the aid you are entitled to) will be sent to you from your school after your FAFSA application is processed. Scholarships may also be sought from community and outside sources to supplement expenses.

Loans

When you borrow money, it is called a loan. All loans must be paid back. Students can apply for loans with the FAFSA at www.fafsa.ed.gov or at a local bank (private loan).

Government Loans

The government offers several loans to students going to school. The cap of the loan is generally set by the school you are attending and may include enough money to cover tuition, housing, and other expenses. *All loans must be paid back.* However, the terms are very reasonable. The government agencies will determine the type of loan you are offered through several factors, including your income level. Some students are offered **subsidized loans**, in which the government actually pays the interest of the loan for them. Others are offered **unsubsidized loans**. Their interest accrues while they are going to school. Generally speaking, government loans are the best type of loan to take out because they are designed to benefit the student and usually offer the most reasonable rates and terms.

Private Loans

Some students don’t qualify for government loans. These students have the option of taking out private loans from individual banks. Bank loans require that the student has established sufficient credit, or is co-signing with someone who has. These loans generally have a higher interest rate and less negotiable terms.

Grants

A grant is a gift of money. *You do not need to pay it back.* Students can learn more about qualifying for grants at www.fafsa.ed.gov.

Government Grants

The government offers grants of money to students who fall in the lower brackets of income level. Usually students must maintain a minimum gpa in order to qualify for the grant. The required GPA depends upon how much money a student (or, more often, a student’s family) has. The minimum GPA varies, but is generally in the 2.0-3.0 range.



Types of Financial Aid Available (cont'd)

Scholarships

A scholarship is an award based on academic performance, talent, or other factors. It may have certain requirements, but you do not need to pay it back. Pursue as many scholarships as you can! These can be used together and can significantly decrease your expenses. **Scholarship Applications May Ask for a resume of activities** (i.e., volunteer work, community service, school clubs and organizations, athletics, church groups, 4-H Club, scouting, honors and awards), **an autobiography**, references (your senior brag sheet helps with these letters and make sure to give your writers **at least** two weeks), **personal statement, essays on specific topics, or testing scores.**

QUICK NOTES: NEVER provide a search site with your Social Security Number and never pay a site to complete a search for you—there are plenty of free search sites! **Also, remember that we are working on finding scholarships for you and we will update this list frequently. Visit the office to pick up these packets.** (Still do your own search to get any we might miss!)

School Scholarships:

Almost all schools offer some sort of scholarship to their students. These scholarships are based on a number of factors including your incoming GPA, the review of a portfolio, or your athletic or artistic contributions. Most schools require that students apply for individual scholarships. The amount of these awards varies; some are worth a few hundred dollars while others cover the entire tuition and living expenses of the student for the duration of their education.

Private Scholarships:

There are thousands of private organizations that offer scholarships to students. The qualifications are too varied to list. Some organizations offer scholarships to the winners of contests they facilitate. Others are looking for people who fit particular standards (i.e. people with a certain last name, a particular nationality, or a certain field of study).