

Do You Need Money for College or Career School?

July 2022





Apply for Federal Student Aid

What is federal student aid?

It's money from the federal government that helps you pay for college, career school, or graduate school expenses. Federal student aid is available through grants, work-study funds, and loans.

How do I apply for aid?

You need to complete the *Free Application for Federal Student Aid* (FAFSA®) form by logging in at fafsa.gov to apply online or completing and mailing the FAFSA PDF.

Students and parents will need an FSA ID (account username and password) to sign the FAFSA form electronically. You'll also use your FSA ID to access information about your financial aid on various U.S. Department of Education websites. You can create an FSA ID in advance or while you fill out the FAFSA form. To find out more about the FSA ID, visit StudentAid.gov/help-center/answers/article/fsa-id.

When should I apply?

Each October, the FAFSA form is available for the next school year. You'll need to reapply for aid every year you are in school. Here's a summary of key dates for submitting the FAFSA form depending on when you plan to go to school:

2023–24 Award Year

If you plan to attend college from
July 1, 2023–June 30, 2024

You will submit the
2023–24 FAFSA form

You can submit the FAFSA form from
Oct. 1, 2022–June 30, 2024

2022–23 Award Year

If you plan to attend college from
July 1, 2022–June 30, 2023

You will submit the
2022–23 FAFSA form

You can submit the FAFSA form from
Oct. 1, 2021–June 30, 2023



The FAFSA® form is free!

Completing and submitting the FAFSA form is free and quick, and it gives you access to most sources of financial aid to pay for college or career school—federal, state, and school resources.

Who gets federal student aid?

Every student who meets certain eligibility requirements can get some type of federal student aid. Some of the most basic eligibility requirements for students are that you must

- demonstrate financial need (for need-based programs);
- be a U.S. citizen or an eligible noncitizen;
- have a valid Social Security number (some exceptions apply);
- be enrolled or accepted for enrollment in an eligible degree or certificate program;
- be enrolled at least half-time (for Direct Loans); and
- maintain satisfactory academic progress in college, career school, or graduate school.

For the full list of eligibility requirements, visit [StudentAid.gov/understand-aid/eligibility/requirements](https://studentaid.gov/understand-aid/eligibility/requirements).



Are you considered a dependent or independent student when it comes to the FAFSA® form? Find out at [StudentAid.gov/dependency](https://studentaid.gov/dependency).

Types of Aid

Amounts shown are awarded annually and are subject to change

1 Federal Grants: Money that generally doesn't have to be paid back

Federal Pell Grant

Up to \$6,895 for the 2022–23 award year

For undergraduates with financial need who have not earned a bachelor's or professional degree. For details and updates, visit [StudentAid.gov/pell-grant](https://studentaid.gov/pell-grant).

Federal Supplemental Educational Opportunity Grant (FSEOG)

Up to \$4,000 a year

For undergraduates with exceptional financial need. Federal Pell Grant recipients take priority. Funds depend on availability at school. For details and updates, visit [StudentAid.gov/fseog](https://studentaid.gov/fseog).

Iraq and Afghanistan Service Grant

Up to \$6,501.99 for the 2022–23 award year

For undergraduate students who are not Pell-eligible and whose parent or guardian died as a result of military service in Iraq or Afghanistan after the events of 9/11. For details and updates, visit [StudentAid.gov/iraq-afghanistan](https://studentaid.gov/iraq-afghanistan).

TEACH Grant

Up to \$3,772 for the 2022–23 award year

For undergraduate, post-baccalaureate, and graduate students who are completing or plan to complete course work needed to begin a career in teaching. To receive a TEACH Grant, a student must agree to teach for four years in a high-need field at an elementary school, secondary school, or educational service agency that serves students from low-income backgrounds. If a student doesn't complete the teaching service requirement, all TEACH Grants the student received will be converted to a Direct Unsubsidized Loan that must be repaid, with interest charged from the date of each TEACH Grant disbursement. For details and updates, visit [StudentAid.gov/teach](https://studentaid.gov/teach).

2 Federal Work-Study: Money is earned through a job and doesn't have to be repaid

Your total work-study award depends on

- ✓ when you apply,
- ✓ your level of financial need, and
- ✓ your school's funding level.



For Federal Work-Study program details and updates, visit [StudentAid.gov/workstudy](https://studentaid.gov/workstudy).

3 Federal Student Loans: These are loans that accumulate interest; they must be repaid.

Who is it for?

Direct Subsidized Loan

For undergraduate students who have financial need. A student must be enrolled at least half-time.

Direct Unsubsidized Loan

For undergraduate and graduate or professional students. A student must be enrolled at least half-time. Financial need is not required.

Direct PLUS Loans

For parents of dependent undergraduate students and for graduate or professional students. A student must be enrolled at least half-time. Financial need is not required.

What is the maximum annual loan amount?

Direct Subsidized Loan

Up to \$5,500, depending on grade level.

Direct Unsubsidized Loan

For undergraduate students, up to \$12,500 (less any subsidized amounts received for the same period), depending on grade level and dependency status.
For graduate or professional students, up to \$20,500.

Direct PLUS Loans

Maximum amount is the cost of attendance minus any other financial aid received.

What is the interest rate?

Direct Subsidized Loan

Direct Subsidized Loans made to undergraduate students during the 2022–23 award year have a fixed interest rate of 4.99% for the life of the loan.

Direct Unsubsidized Loan

Direct Unsubsidized Loans made to undergraduate students during the 2022–23 award year have a fixed interest rate of 4.99% for the life of the loan.
Direct Unsubsidized Loans made to graduate or professional students during the 2022–23 award year have a fixed interest rate of 6.54% for the life of the loan.

Direct PLUS Loans

Direct PLUS Loans made during the 2022–23 award year have a fixed interest rate of 7.54% for the life of the loan.

Interest rates for Direct Loans are determined each year. When the rates are determined, they apply to all loans that have a first disbursement date during the period beginning on July 1 of one year and ending on June 30 of the following year. Loans received during different award years may have different fixed interest rates. For more information on interest rates, visit [StudentAid.gov/interest](https://studentaid.gov/interest).

Where do I go for more details and updates on loans?

Direct Subsidized and Unsubsidized Loans

[StudentAid.gov/sub-uns](https://studentaid.gov/sub-uns)

Direct PLUS Loans

[StudentAid.gov/plus](https://studentaid.gov/plus)



Don't let your interest capitalize!

If you have unsubsidized or PLUS loans, then interest accumulates on these loans before you begin repayment (e.g., while you are in school). Consider paying interest on your federal student loans while you're in school, and during grace, deferment, and forbearance periods to avoid capitalization (the addition of unpaid interest to the principal balance of your loan). Capitalization increases your loan principal, and interest will then accrue on that higher principal amount.

For more details about the different types of federal student aid available, visit [StudentAid.gov/types](https://studentaid.gov/types).



Ready to fill out the FAFSA® form?
Go to fafsa.gov!

I completed the FAFSA® form. Now what?

After you submit your FAFSA form, you'll receive a *Student Aid Report* (SAR) that summarizes the data you submitted. If you provided a valid email address in your application, you'll receive an email with instructions on how to access an online copy of your SAR within three days (if you apply at fafsa.gov) or three weeks (if you mail in a paper FAFSA form).

When you receive your SAR, review it to make sure you didn't make any mistakes on your FAFSA form.

- If you don't need to make any changes to the information on your SAR, just keep it for your records.
- To find out how to correct mistakes or make updates to your FAFSA form, visit StudentAid.gov/apply-for-aid/fafsa/review-and-correct or contact the school to which you are applying.

The information in your SAR will be provided to the schools you listed on your FAFSA form. You will receive an aid offer from the schools at which you were applied and/or accepted for admission.



Do I have to repay my loans?

Yes. Student loans, unlike grants and work-study funds, are borrowed money that must be repaid, with interest, just like car loans and home mortgages. You cannot have these loans canceled because you didn't like the education you received, didn't get a job in your field of study, or are having financial difficulty. So think about the amount you'll have to repay before you take out a loan and only borrow the amount you need. Learn more about loan repayment at StudentAid.gov/repay.



What's an aid offer and how much aid will I get?

If you applied for admission to a college or career school you listed on your FAFSA form, that school will get your FAFSA information. The school will calculate your aid and send you an aid offer (often electronically).

Most schools will wait to send you an aid offer only after they accept you for admission. The aid offer will tell you how much aid you're eligible to receive at that school and will include the types and amounts of financial aid you may receive from federal, state, private, and school sources. This combination of help from different sources is your financial aid package. How much aid you receive depends on some factors, including

- cost of attendance (for each school);
- Expected Family Contribution (EFC)—the EFC does not represent a dollar amount but, instead, it's a number used to calculate how much and types of financial aid you're eligible to receive based on your FAFSA information;
- year in school; and
- enrollment status (e.g., full-time, half-time, etc.).

You can compare school aid offers and see which school is most affordable once financial aid is taken into account. Contact the school's financial aid office if you have any questions about the aid being offered to you. For more information on how aid is calculated, visit [StudentAid.gov/how-calculated](https://studentaid.gov/how-calculated).



How will I receive my aid?

Your college or career school—not the U.S. Department of Education—will distribute your aid. In most cases, your federal student aid will be applied directly to your school account. The financial aid staff at your school will explain exactly how and when your aid will be disbursed (paid out).

What else do I need to remember when applying for federal student aid?

- ✓ Only borrow what you need and what you can afford to pay back.
 - ✓ Your FAFSA information has to be correct to ensure that you receive your aid promptly and in the right amount. Always respond to (or act upon) any correspondence your school sends you—and meet all deadlines.
 - ✓ Contact the school if you're interested in school or state grants.
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Free Help Is Available

Free help is available any time during the application process. Online help is available while you complete your application at fafsa.gov. You can also get free information and help from your school counselor, the financial aid office at the school you plan to attend, or the U.S. Department of Education at StudentAid.gov or 1-800-4-FED-AID (1-800-433-3243). You should never have to pay for help!

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Access your federal student aid information at StudentAid.gov/login.