



THE DIFFERENT FORMS OF AID

These forms of financial aid do not have to be repaid:

- Federal Pell Grant
- FSEOG (Federal Supplemental Educational Opportunity Grant)
- Grants (PHEAA, other state grants, OVR, WIB, etc.)
- Scholarships
- Federal Work Study funds
- VA benefits

These forms of financial aid do have to be repaid:

- Direct Subsidized Stafford loan
- Direct Unsubsidized Stafford loan
- Direct Parent Plus loan
- Any alternative educational loan

Federal Pell Grant Program

This grant program is funded and administered by the federal government which offers grant assistance to needy students who have not yet earned a bachelor's degree. The eligibility index for this award is computed primarily on the basis of parent/student income and assets, family size, and number in college. Currently, the maximum grant award for a full-time student is \$5,550 per academic year. All students are encouraged to apply. The filing deadline for a Federal Pell Grant is June 30 of the academic year in which the grant is to be awarded (Example: June 30, 2012, for the 2010-2012 academic year). Unlike loans, a Federal Pell Grant does not have to be repaid.

Federal Supplemental Educational Opportunity Grant (FSEOG)

The Federal Supplemental Educational Opportunity Grant (FSEOG) Program is funded by the Federal government and administered by Douglas Education Center. The purpose of the FSEOG program is to provide grants to undergraduate students who have exceptional need to help pay for their postsecondary education. Priority is given to those students with exceptional financial need. Unlike the Federal Pell Grant Program, there is no guarantee that every eligible student can receive an FSEOG. The awards paid are based on the availability of FSEOG funds. Eligible students are those with the lowest expected family contribution, with priority being given to Federal Pell Grant recipients. The FSEOG Grant does not have to be repaid. The maximum award at Douglas Education Center is \$1,000 for a full-time student/per award year.

Federal Work Study Program (Student Employment)

The Federal Work Study Program provides part-time employment to undergraduate students. The program is funded by the Federal government and administered by Douglas Education Center. Unlike FSEOG, priority is not necessarily given to students who demonstrate exceptional financial need. Federal Work-Study participants are paid an hourly wage not less than the current Federal minimum wage. Wages under the Federal Work Study Program are paid directly to the student.

Federal Direct Loan

The Direct Loan programs (Direct Subsidized Stafford Loans for Dependent and Independent Students, Direct Unsubsidized Stafford Loans for Independent Students, Federal Direct Parent Loans for Undergraduate Students and Direct Consolidation Loans) are loan programs which MUST be repaid by the borrower. You must file a Free Application for Federal Student Aid (FAFSA) to determine eligibility for student loans. The Direct Loan website is www.direct.ed.gov.

Direct Stafford Loan Program

A Direct Stafford Loan is a low-interest loan made to students by the Federal Government to help pay for post-secondary education.

Direct Stafford Loans are either subsidized or unsubsidized. A student may receive a subsidized loan and an unsubsidized loan for the same enrollment period. A subsidized loan is awarded on the basis of financial need. Borrowers will not be charged any interest before repayment or during authorized periods of deferment. The federal government subsidizes the interest during these periods.

An unsubsidized loan is not awarded on the basis of need. Borrowers are charged interest from the time the loan is disbursed until it is paid in full. If the interest is allowed to accumulate, it will be capitalized – that is, the interest will be added to the principal amount of the loan and additional interest will be based upon the higher amount.

Direct Stafford Loan Eligibility Requirements

- Complete a Free Application for Student Aid (FAFSA) for the appropriate academic year.
- Be a U.S. citizen or eligible non-citizen.
- Be accepted for enrollment in a participating school; or, if enrolled, be making satisfactory progress.
- Be classified as at least a half-time student working toward a degree or diploma.
- Not be in default on an educational loan or owe any education grant refund.
- If required, be registered with the Selective Services.
- Have financial need in order to receive a subsidized Stafford Loan.

Direct Stafford Loan Limits:

A full-time, first-year dependent undergraduate student enrolled in a program whose length is at least one academic year is eligible to borrow a loan maximum of \$5,500 for that first year. (Maximum \$3,500 subsidized)

A full-time, second-year dependent undergraduate student is eligible to borrow a loan maximum of \$6,500 for the second year. (Maximum \$4,500 subsidized)

A full-time, first-year independent undergraduate student enrolled in a program whose length is at least one academic year is eligible to borrow a loan maximum of \$9,500 (at least \$6,000 of which must come from the unsubsidized program).

A full-time, second-year independent undergraduate student is eligible to borrow a loan maximum of \$10,500 (at least \$6,000 of which must come from the unsubsidized program).

In addition to the above loan limits, a student may not receive a Stafford Loan in excess of the cost of attendance at Douglas minus any other financial aid received.

General Information About Direct Loan Interest Rates:

Loans disbursed under the William D. Ford Federal Direct Loan Program, have either a fixed or variable interest rate, depending on when the loan was first disbursed.

Grace Period:

One grace period is permitted under the Direct Stafford Loan program—six months in length following completion of studies. There are no grace periods after subsequent deferments.

Loan Fees:

Borrowers will pay a loan fee of up to 1.5% of the loan. This fee is deducted proportionately from each disbursement of the loan. This fee goes to the federal government.

Repayment:

Repayment of Direct Stafford loans begins after the first grace period or immediately after subsequent deferments. The minimum annual payment is six hundred dollars (\$600). The repayment period may last up to ten (10) years, depending upon the amount borrowed. The schedule below illustrates repayment load incurred by the borrower. The size of the monthly payment, of course, depends upon the amount of the loan, the interest rate, and the length of the repayment period.

Date of First Disbursement	Interest Rate for Subsidized Loan
7/1/08 - 6/30/09	6.00%
7/1/09 - 6/30/10	5.60%
7/1/10 - 6/30/11	4.50%
7/1/11 - 6/30/12	3.40%



**Estimated Standard Repayment Schedules
Direct Subsidized and Unsubsidized Stafford Loans:**

SAMPLE REPAYMENT AMOUNTS

The following are samples monthly loan repayments.

<u>Debt when loan enters repayment</u>	<u>Interest Rate</u>	<u>Per Month For 10 Years</u>	<u>Total</u>
\$8,000.00	4.5%	\$82.91	\$9,945.20
\$8,000.00	3.4%	\$78.73	\$9,447.60
\$15,000.00	4.5%	\$155.46	\$18,655.20
\$15,000.00	3.4%	\$147.63	\$17,715.60

Remember, these loans must be repaid!

Direct PLUS Loan Program

The Direct Plus Loans for Undergraduate Students Program (PLUS) is limited to the parents (or legal guardians) of dependent, undergraduate students who are enrolled at least half-time.

Loan Limits:

The yearly limit on a PLUS loan is equal to a student's cost of attendance less any other financial aid received. For example, if the cost of attendance is \$6000, and a student receives \$4000 in other financial aid, the parents could borrow up to – but not more than – \$2000.

Eligibility Requirements:

To be eligible for a PLUS Loan, your parent must:

- Be your natural parent, adoptive parent, legal guardian, or in some cases, stepparents.
- Be a U.S. citizen or eligible non-citizen.
- Not be in default on an educational loan or owe any education grant refunds.
- Be credit worthy.
- To be eligible for a PLUS Loan, the dependent undergraduate student must:
- Be a U.S. citizen or eligible non-citizen.
- Be accepted for enrollment in a participating school, or if enrolled, be making satisfactory progress.
- Be classified as at least a half-time student and working toward a degree or diploma.
- Not be in default on an educational loan or owe any education grant refunds.
- Be registered with the Selective Service if required.

Direct PLUS Interest Rate:

The interest rate on Direct Plus is fixed at 7.9%. Interest is charged on the loan from the date that the first disbursement is made until the loan is paid in full. Dependent students whose parents are unable to get plus loans are eligible to receive the independent undergraduate loan limits.

Grace Period:

There is no grace period for PLUS loans.

Loan Fees:

Parents will pay a fee of up to four percent (4%) of the loan. This fee is deducted proportionately each time a loan disbursement is made. This fee goes to the federal government to help reduce the cost of the loan. Also, if loan payments are not made when they are scheduled, parents may be charged collection costs and late fees.

Repayment:

Generally, repayment begins within sixty (60) days after the final loan disbursement for the period of enrollment for which parents have borrowed. Interest begins to accumulate at the time the first disbursement is made. Parents must begin repaying both principal and interest while the student is still in school.

Remember, these loans must be repaid!

Direct Consolidation Loan Program

A Consolidation Loan is designed to help student and parent borrowers simplify loan repayment by allowing the borrower to consolidate several types of federal student loans with various repayment schedules into one loan.

You may consolidate just one loan into a Direct Consolidation Loan to get benefits such as flexible repayment options. If you have more than one loan, a Consolidation Loan simplifies the repayment process because you make only one payment a month. Also, the interest rate on the Consolidation Loan may be lower than what you're currently paying on one or more of your loans. If you are in default on a federal education loan, you may receive a Consolidation Loan if certain conditions are met. Married couples may consolidate their individual loans if they agree to be jointly liable for repayment even if there is a future change in their marital status. All students with federal loans (Stafford, Perkins, SLS, and PLUS) should contact the direct loan program to check their eligibility for loan consolidation. The Direct Loan Consolidation website is: www.loanconsolidation.ed.gov

Repayment Terms:

Repayment extends for ten (10) years for students with less than \$7,500 in loans, twelve (12) years for students with between \$7,500 and \$10,000 in loans, fifteen (15) years for students with between \$10,000 and \$20,000 to repay. Within these constraints, lenders must offer graduated repayment schedules and monthly payments must equal at least \$50.

Interest Rate:

Consolidation loans disbursed under the direct loan program can have either a fixed or variable interest rate depending on when the application was received.

**State Student Assistance Programs
Pennsylvania Higher Education Assistance
Agency Grant Program (PHEAA)**

This grant is provided by the Commonwealth of Pennsylvania. To be eligible for this grant assistance, a student must be a legal resident of Pennsylvania for at least twelve (12) months prior to completing the FAFSA, be a high school graduate, or a recipient of a General Education Development Certificate (High School Equivalency), be enrolled in an Associate Degree in Specialized Business program, and must have submitted an application to the PHEAA Grant Program. Filing deadlines are May 1 for renewal applications and August 1 for new applications for the future award period. **Pennsylvania residents transferring from another school must provide their transcripts to the DEC Financial Aid Office prior to getting a PHEAA grant in their first semester at DEC.** Unlike loans, a PHEAA Grant does not have to be paid back.

Academic progress for state grant purposes will be checked at the end of the Spring semester each year.

Office of Vocational Rehabilitation (OVR)

Vocational Rehabilitation is a public service provided by the Commonwealth of Pennsylvania in cooperation with the Federal government. The prospective student must have some type of challenge (mental, physical, auditory, or visual), which has prevented the pursuit of an acceptable career to be eligible. Contact one of the local offices of the Office of Vocational Rehabilitation (O.V.R.) for additional information.