

# NEED-BASED FEDERAL AID PROGRAMS

The largest portion of student aid money comes from the Federal Government. This handout briefly explains each of the federal aid programs. The Free Application for Federal Student Aid (FAFSA) must be completed to apply for these programs. The FAFSA results may also be used for state program eligibility.

The Pell Grant and Stafford Loan are the biggest programs and can be applied for anytime during the academic year, but the earlier the better. The Supplemental Educational Opportunity Grant, College Work Study, and Perkins Loan have limited funds, which are usually depleted before April 1 for the upcoming fall semester.

## Federal Pell Grant

- ◆ Limited to undergraduate students seeking first degree, and only for undergraduate hours
- ◆ Range from \$400-\$4,050 a year, based on funding
- ◆ Does not have to be repaid



## Subsidized Federal Stafford Loan

- ◆ Lender is a bank, credit union, or other lender (in the Federal Family Education Loan Program)
- ◆ Government pays interest on the loan as long as the student is enrolled at least half time
- ◆ Annual loan maximums per grade level:  
Freshman \$3,500 Junior/Senior \$5,500  
Sophomore \$4,500 Graduate \$8,500
- ◆ Aggregate limit for dependent, undergraduate student is \$23,000
- ◆ Loans certified for the final undergraduate semester must be prorated based on enrollment
- ◆ Loan origination and insurance fees (of up to 4%) are subtracted from each loan disbursement
- ◆ Interest rate is currently 6.8%
- ◆ Repayment begins 6 months after ceasing at least half-time attendance
- ◆ Minimum monthly payment is \$50, but this is adjusted upward to assure repayment within 10 years (the standard repayment plan)
- ◆ Proceeds are disbursed in two equal installments per loan term. Loan counseling required of first-time borrowers



## Federal Supplemental Educational Opportunity Grant (SEOG)

- ◆ Limited to undergraduate students
- ◆ University determines recipients on a first-come, first-served basis to students with highest need
- ◆ Awards may range from \$100-\$4,000 a year; however, with limited funds, SEOGs are generally about \$400 a year



## Federal College Work Study

- ◆ For both undergraduate and graduate students
- ◆ Pay is the greater of federal or Missouri minimum wage
- ◆ Hours are 20 or less per week (usually 10 avg.)
- ◆ University determines recipients and helps place students in jobs (such as administrative offices, division offices, the library, etc.)
- ◆ Students cannot work for institutional pay during the work study award period
- ◆ Work ceases once the award amount is reached
- ◆ Students are paid monthly and are expected to use earnings for college expenses

## Academic Competitiveness Grant (ACG)

- ◆ Must be a Pell recipient
- ◆ Full time undergraduate
- ◆ Completed rigorous high school program of study
- ◆ 1<sup>st</sup> year maximum award is \$750/yr
- ◆ 2<sup>nd</sup> year maximum award is \$1300/yr
- ◆ Must have a 3.0 GPA after 1<sup>st</sup> year to renew



## National Science & Mathematics Access to Retain Talent Grant (SMART)

- ◆ Full time undergraduate
- ◆ Must also be a Pell Grant recipient
- ◆ Maximum award \$4,000/yr
- ◆ Enrolled in the third or fourth year of an eligible program



## Federal Perkins Loan

- ◆ Available to both undergraduate and graduate students
- ◆ Lender is the University
- ◆ Loan limits are: Undergraduate \$4,000/ yr.  
Graduate \$6,000/ yr.  
Average annual award is generally \$1,500 due to limited funding
- ◆ Interest rate is 5%
- ◆ Repayment begins 9 months after ceasing at least half-time attendance
- ◆ Allowed up to 10 years to repay the loan



## Nursing Loan

- ◆ Must be accepted into the Nursing Program
- ◆ Lender is the University
- ◆ University determines recipients
- ◆ Loan limits are: First two years \$2,500/ yr.  
Last two years \$4,000/ yr.
- ◆ Interest rate is 5%
- ◆ Terms similar to the Perkins Loan



## Contacts for further information:

Federal Student Aid Information Center:  
1-800-4-FED-AID (You may request a free booklet, The Guide to Federal Student Aid, provided by the Department of Education.)

Federal web site: <http://students.gov>

Truman Financial Aid Office: 1-800-892-7792  
(Out-of-state: 660-785-4130)

Web site: <http://financialaid.truman.edu>