

## Comparing Federal Student Financial Aid Programs

	LOANS			GRANTS		WORK	
	Federal Perkins Loan	Subsidized (Sub) Stafford Loan	Unsubsidized (Unsub) Stafford Loan	Federal PLUS Loan	Federal Pell Grant	FSEOG	Federal Work Study (FWS)
<b>Eligibility</b>							
<b>Who's eligible</b>	Undergrad & Grad Students	Undergrad & Grad Students	Undergrad & Grad Students	Parents of Dependent Undergrad Student	Undergrad Student	Undergrad Student	Undergrad & Grad Student
<b>Need-based?</b>	Yes (exceptional financial need = lowest EFCs)	Yes	No	No	Yes	Yes	Yes
<b>Credit Check Required</b>	No	No	No	Yes	n/a	n/a	n/a
<b>Maximum Annual Amounts</b>							
<b>Undergraduate</b>	\$4,000	\$2,625 1st yr \$3,500 2nd yr \$5,500 3rd & 4th yr	\$2,625 1st yr \$3,500 2nd yr \$5,500 3rd & 4th yr	Up to the total cost of the student's education, less other aid received	\$400–\$4,050*  *funding limits for 2004–05	\$100–\$4,000 May increase to \$4,400 for study abroad	At least minimum wage, may be higher
<b>Graduate/Professional Study</b>	\$6,000	\$8,500	\$18,500 (up to \$8,500 may be in sub Stafford)				
<b>Aggregate Totals</b>							
<b>Undergraduate</b>	\$20,000	\$23,000	<b>Dependent:</b> \$23,000 (between sub and unsub Stafford) <b>Independent:</b> \$46,000 (up to \$23,000 may be in sub Stafford)	n/a	n/a	n/a	n/a
<b>Graduate/Professional Study</b>	\$40,000	\$65,500	\$138,500 (up to \$65,500 may be in sub Stafford) Graduate debt limit includes any Stafford loans received for undergrad study	n/a	n/a	n/a	n/a

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<b>Interest Rates &amp; Fees</b>							
<b>Fixed or Variable</b>	Fixed	Variable (adjusted July 1)	Variable (adjusted July 1)	Variable (adjusted July 1)	n/a	n/a	n/a
<b>Cap</b>	5.00%	8.25%	8.25%	9.00%	n/a	n/a	n/a
<b>In-School/Grace/Deferment</b>	5.00%	4.70%	4.70%	n/a	n/a	n/a	n/a
<b>Repayment</b>	5.00%	5.30%	5.30%	6.10%	n/a	n/a	n/a
<b>Interest Subsidy</b>	Subsidized	Subsidized	Unsubsidized	None	n/a	n/a	n/a
<b>Origination &amp; Guarantee Fees</b>	none	Up to 4%	Up to 4%	Up to 4%	n/a	n/a	n/a
<b>Repayments</b>							
<b>Standard Repayment Term</b>	Up to 10 years	Up to 10 years	Up to 10 years	Up to 10 years	No repayment	No repayment	No repayment
<b>Minimum Repayment</b>	\$480 per year (\$40 per month)	\$600 per year (\$50 per month)	\$600 per year (\$50 per month)	\$600 per year (\$50 per month)			
<b>Repayment Begins</b>	9 months after dropping below half-time status, graduation, or withdrawal	6 months after dropping below half-time status, graduation, or withdrawal	6 months after dropping below half-time status, graduation, or withdrawal	60 days after funds are disbursed.			
<b>Disbursements</b>							
<b>Responsibility</b>	School disburses funds to students	<b>FFEL:</b> Private lenders provide funds to schools to disburse to students  <b>Direct Loans:</b> Federal government provides funds to schools to disburse to students	<b>FFEL:</b> Private lenders provide funds to schools to disburse to students  <b>Direct Loans:</b> Federal government provides funds to schools to disburse to students	<b>FFEL:</b> Private lenders provide funds to schools to disburse to students  <b>Direct Loans:</b> Federal government provides funds to schools to disburse to students	School acts as agent for US Dept of Education	School disburses funds to students	School disburses earned funds to students

## Terms to Know:

**Subsidized Loan:** Borrower is not charged interest before repayment begins or during authorized periods of deferment.

**Unsubsidized Loan:** Borrower is charged interest from the time the loan is disbursed until it is paid in full.

**Dependent Student:** Undergraduate student whose parents provide more than half of their financial support. A dependent student is not married, is under 24 years of age, has no legal dependents, is not an orphan or ward of the court, nor a veteran of the US Armed Forces.

**Independent Student:** Student who is either married, 24 years of age or older, enrolled in a graduate or professional education program, has legal dependents other than a spouse, is an orphan or ward of the court, or a veteran of the US Armed Forces.

## More About Loans...

Additional education funds can be borrowed through private loans (as known as alternative loans). To learn more about private loans, visit:

**[www.CollegeAnswer.com/privateloans](http://www.CollegeAnswer.com/privateloans)**

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