

EDUCATIONAL OPPORTUNITY CENTER PRESENT W.O.W. (WORKSHOPS ON WEDNESDAY)

FINANCIAL AID 2024-2025



WHAT IS FINANCIAL AID

- Federal **Student Aid** is the **largest** provider of **Financial Aid** for college in the U.S.
- Financial aid is **money to help pay for college** or career school. Grants, work-study, loans, and scholarships help make college or career school affordable.



TYPES OF FINANCIAL AID

- Loans
- Grants
- Work Study

• (<https://studentaid.gov/understand-aid/types#loans>)

LOANS

- **Fast Facts**

- When you apply for financial aid, you might be offered loans as part of your school's financial aid offer.
- A loan is money you borrow and must pay back with interest.
- Student loans can come from the federal government, from private sources such as a bank or financial institution, or from other organizations. Federal student loans usually have more benefits than private loans.
- (<https://studentaid.gov/understand-aid/types/loans#types>)

TYPES OF FEDERAL STUDENT LOANS

Direct Loan Type	Direct Loan Borrower	Annual Award (subject to change)
<u>Direct Subsidized Loan</u>	Eligible undergraduate students with demonstrated financial need	Up to \$5,500 depending on grade level and <u>dependency status</u>
<u>Direct Unsubsidized Loan</u>	Eligible undergraduate, graduate, and professional students	Up to \$20,500 (minus any subsidized amounts received for the same period) depending on grade level
<u>Direct PLUS Loans</u>	<ul style="list-style-type: none">•Parents borrowing money for their dependent undergraduate students•Eligible graduate or professional students	Maximum amount is the cost of attendance (determined by the school) minus any other financial aid the student receives
<u>Direct Consolidation Loans</u>	Anyone with eligible federal student loans who wants to combine any number of those loans into a single loan.	N/A

Remember, you can borrow less than your school offers and can request more loan funds later if you need to. You should borrow only what you need.

(<https://studentaid.gov/understand-aid/types/loans#types>)

REASONS FOR TAKING OUT FEDERAL STUDENT LOANS

- Federal student loans are an investment in your future. You should not be afraid to take out federal student loans, but you should be smart about it.
- Federal student loans offer many benefits compared to other options you may consider when paying for college:
- The [interest rate on federal student loans](#) is fixed and usually lower than that on private loans—and much lower than that on a credit card!
- You don't need a credit check or a cosigner to get most federal student loans.
- You don't have to begin repaying your federal student loans until after you leave college or drop below half-time.
- If you demonstrate financial need, the government pays the interest on some loan types while you are in school and during some periods after school.
- Federal student loans offer flexible repayment plans and options to postpone your loan payments if you're having trouble making payments.
- If you work in certain jobs, you may be eligible to have a portion of your federal student loans forgiven if you meet certain conditions.
- (<https://studentaid.gov/understand-aid/types/loans#types>)

RESPONSIBLE BORROWING

