

# Financial Aid

## Grants, Loans, Scholarships

This article provides brief overviews of the types of financial aid and links to websites where you can learn more about grants, student loans, scholarships, loan consolidation and access to the Financial Aid Estimator Tool.

### Education Planning

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*In addition to federal financial aid, you may also be able to get financial aid from your state government, school, or a private scholarship. Research nonfederal aid early (ideally, start in the spring of your junior year of high school). Be sure to meet all deadlines!*

### INTRO TO FINANCIAL AID

Most financial aid is provided by the federal and state governments. Colleges, scholarship organizations, and employers are also important aid sources.

Financial aid can include:

- "Self-help", consisting of interest-subsidized loans and work-study.
- "Gift aid", consisting of grants and scholarships. Gift aid is more attractive, of course, because it doesn't have to be paid back and doesn't place additional demands on the child.

The amount and type of financial aid offered is based on two factors:

- The student's financial need
- The student's merit (scholastic, athletic, musical, etc.)

### FINANCIAL AID ELIGIBILITY

Three basic ingredients determine how much need-based aid your child is eligible for.

- The **Cost of Attendance (COA)**. Every school calculates its "cost of attendance" based on federal guidelines.
- The **Student's Resources**. This is the dollar amount provided to the student from outside sources such as scholarships or tuition paid directly to the college by a grandparent or employer. The student's resources reduce the COA, and therefore the need-based aid award, on a dollar-for-dollar basis.
- The **Expected Family Contribution (EFC) or also known as the Student Aid Index (SAI)**. This is the amount your family will be expected to pay for college based on your financial circumstances.

To qualify for federal student aid (grants, loans, and work-study funds), you have to meet certain requirements.

Visit the [Eligibility Section](#) on the studentaid.gov website to read more about basic eligibility criteria.

### GRANTS

The federal government provides grant funds for students attending colleges, career colleges and universities. Grants, unlike loans, do not have to be repaid. Click the links below to learn more about grant programs available for eligible students pursuing a postsecondary education.

- [Federal Pell Grants](#) are awarded only to undergraduate students who display exceptional financial need and have not earned a bachelor's, graduate, or professional degree.– Up to \$7,385\*
- [Federal Supplemental Educational Opportunity Grant](#) (FSEOG) is a grant for undergraduate students with exceptional financial need – \$100 to \$4,000\* Each participating school receives a certain amount of FSEOG funds each year from the U.S. Department of Education's office of Federal Student Aid. Once the full amount of the school's FSEOG funds has been awarded to students, no more FSEOG awards can be made for that year.
- [Teacher Education Assistance for College and Higher Education Grant](#) (TEACH Grant) – Up to \$4,000\*
- [Iraq and Afghanistan Service Grant](#) is awarded if your parent or guardian died as a result of military service in Iraq or Afghanistan– Up to 7,395\*
- Institutional Grants

*\*Annual Awards limits are for the 2023-24 award year (Amounts can change yearly)*

Visit the [Federal Student Grant Programs Section](#) on [www.studentaid.gov](http://www.studentaid.gov) for a one page summary of the major Federal Student Grant Programs.

### CAMPUS-BASED AID

Campus-based aid programs are administered directly by the financial aid office of each participating school, which has a specific amount of funds allotted to administer each year. When the money for a program is gone, no more awards can be made for that year. Apply for federal student aid as early as you can. Each school sets its own deadlines for campus-based funds, and those deadlines are usually earlier than the Department of Education's deadline for filing a FAFSA. Not all schools participate in all programs. Check with your school's financial aid office to find out which programs they participate in.

These are the current forms of campus-based aid:

- [Federal Supplemental Educational Opportunity Grant](#) (FSEOG)
- [Federal Work-Study](#) (FWS) jobs help student earn money to pay for college or career school

*Note: The authority for schools to make new Federal Perkins Loans ended on Sept. 30, 2017.*

How much aid you receive from each of the programs depends on:

- Your financial need
- The amount of other aid you receive
- The availability of funds at your college or career school

### STUDENT LOANS

**Federal student loans are through the U.S. Department of Education and** allow students and their parents to borrow money to help pay for college. They have low interest rates and offer flexible repayment terms, benefits, and options compared to private student loans. Click the links below to learn more.

- [Subsidized and Unsubsidized Federal Loans](#) (a.k.a. Stafford Loans)
  - [Direct Subsidized Loans](#) – the U.S. Department of Education pays the interest while you're in school
  - [Direct Unsubsidized Loans](#) -you are responsible for paying the interest during all periods

- [Direct PLUS Loans](#) are loans made to graduate or professional students and parents of dependent of undergraduate students to help pay for education expenses not covered by other financial aid.
- [Direct Consolidation Loans](#) allow you to combine all of your eligible federal student loans into a single loan.

**Private student loans are through private lenders and may not have as attractive repayment plans or forgiveness options but allow families another opportunity to borrow for college.** Click the links below to learn more.

- [Student Loans Comparison](#) – Compare options from top lenders without affecting your credit score.
  - [Credible](#) is a simple, transparent marketplace that allows borrowers to receive and compare personalized offers from vetted lenders in minutes.
  - [SimpleTuition](#) by Lendingtree offers an interactive tool that allows borrowers to compare multiple private student loan options side-by-side.
- [Edivisors Student Loan Network](#) – Site that connects you to multiple private student loan providers. The website also provides a lot of information on financial aid, loans and loan consolidation. Edivisors is a member of the Better Business Bureau and is not a loan originator.

### UNDERSTAND WHAT REPAYMENT MIGHT LOOK LIKE

Once you have a realistic idea of your potential income after you graduate, and the amount you need to borrow to meet your education expenses, you'll want to determine your estimated monthly loan payment amount and the amount you'll pay in total for your loan. The [Loan Simulator](#) helps you calculate student loan payments and choose a loan repayment option that best meets your needs.

A great resource is the U.S. Department of Education's [Repaying Your Loans](#) flyer.

### LOAN CONSOLIDATION

A **Direct Consolidation Loan** allows a borrower to consolidate (combine) multiple federal student loans into one loan with a fixed interest rate for the life of the loan. Generally, you are eligible to consolidate after you graduate, leave school, or drop below half-time enrollment. Learn more about the [Direct Loan Consolidation Program](#).

[LendKey](#) is a network of not-for-profit credit unions that launched in February 2011 offering student loans and student loan consolidation with common underwriting and pricing.

On the Top10.com website you can access information on the [Top 10 Student Loan Consolidation Companies](#).

### INCOME-DRIVEN REPAYMENT PLANS FOR FEDERAL STUDENT LOANS

An **income-driven repayment plan** is a repayment plan that sets your monthly student loan payment at an amount that is intended to be affordable based on your income and family size. The U.S. Department of Education offers four income-driven repayment plans:

1. Revised Pay As You Earn Repayment Plan (REPAYE Plan)
2. Pay As You Earn Repayment Plan (PAYE Plan)
3. Income-Based Repayment Plan (IBR Plan), and
4. Income-Contingent Repayment Plan (ICR Plan)

Learn more about [Federal Student Loans Income-Driven Repayment Plans](#).

### **PUBLIC SERVICE LOAN FORGIVENESS (PSLF)**

The [Public Service Loan Forgiveness Program](#) was created to encourage individuals to enter and continue to work full-time in public service jobs. Under this program, you may qualify for forgiveness of the remaining balance due on your eligible federal student loans after you have made 120 payments on loans under certain repayment plans while employed full time by certain public service employers.

### **FORGIVENESS, CANCELLATION AND DISCHARGE**

In certain situations, you can have your [federal student loan forgiven, canceled, or discharged](#).

### **FINANCIAL AID ESTIMATOR TOOL**

The [Federal Student Aid Estimator](#) helps you understand your options for paying for college and provides you with an estimate of your eligibility for federal student aid.

### **SCHOLARSHIP SEARCH RESOURCES**

It's never necessary to pay someone to do a scholarship search for you. Carefully review the site's privacy policy prior to using to make sure you can opt out of email advertisements and the sharing of your personal information. Click the links below to learn more:

- [Learn more about finding and applying for scholarships](#)
- U.S. Department of Labor's [FREE Scholarship tool](#)
- [College Board's Scholarship Search](#) This online tool to help you locate scholarships, internships, grants, and loans that match your education level, talents, and background.
- [Free Student Scholarship Search](#) - provides students and parents with a FREE searchable database of college scholarships and grants. No registration is required and new scholarships are updated daily.
- [Scholarships.com](#) is a FREE website established in 1999 which has assisted millions of students, parents and counselors with scholarship search on the internet.
- [FinAid!](#) website provides a FREE guide to student aid including a personalized scholarship search.
- [Avoid scams!](#) Learn how to avoid scams while searching for scholarships, filling out the FAFSA, and giving personal information to schools and lenders.

### **FREE HELP**

Federal Student Aid Information Center (FSAIC) staff, 1-800-4-FED-AID (1-800-433-3243), will answer your federal student aid questions and provide help in filling out the FAFSA and understanding Student Aid Report.

The websites listed are not owned or associated with Robert W. Baird & Co. We have provided the links as a convenience and do not endorse any of the sites.