



# UNDERGRADUATE Federal Aid Programs

Program	Type	Details	Annual Award Limits		
<b>Federal Pell Grant</b>	Grant: does not have to be repaid	Awarded to students with exceptional financial need. Award amount is based on the Cost of Attendance, Expected Family Contribution (EFC) and enrollment status of student.	Up to \$6,345		
<b>Federal Supplemental Educational Opportunity Grant</b>	Grant: does not have to be repaid	A federal grant program for students with exceptional need. SEOG grants are awarded by the school's financial aid office.	Up to \$4,000		
<b>Federal Work Study (FWS)</b>	Employment: does not have to be repaid but must be earned	Jobs can be on campus or off campus; students are paid at least federal minimum wage. Money earned from a FWS job is not credited to the tuition bill. Therefore, FWS earnings are typically used to cover indirect costs (book, materials, personal expenses).	No annual minimum or maximum award amounts		
<b>Subsidized Federal Direct Loans</b>	Loan: must be repaid	U.S. Department of Education pays the interest while borrower is in school and during deferment periods. Student must be enrolled at least half-time and demonstrate financial need. For loans issued July 1, 2020 - June 30, 2021, the interest rate is 2.75% fixed. An additional loan fee of 1.057% will be deducted from each disbursement.		<b>Dependent Undergraduate Student (Annual Loan Limits)</b>	<b>Independent Undergraduate Student (Annual Loan Limits)</b>
			<b>First Year</b>	\$5,500 (maximum subsidized amount allowed = \$3,500)	\$9,500 (maximum subsidized amount allowed = \$3,500)
			<b>Second Year</b>	\$6,500 (maximum subsidized amount allowed = \$4,500)	\$10,500 (maximum subsidized amount allowed = \$4,500)
<b>Unsubsidized Federal Direct Loans</b>	Loan: must be repaid	Borrower is responsible for interest during the life of the loan. Student must be enrolled at least half-time. Financial need is not a requirement. For loans issued July 1, 2020 - June 30, 2021, the interest rate is 2.75% fixed. An additional loan fee of 1.057% will be deducted from each disbursement.  All undergraduate students may qualify for additional unsubsidized federal funds if a parent is denied a Federal Direct Parent Loan for Undergraduate Students (PLUS) loan.	<b>Third Year &amp; Beyond</b>	\$7,500 (maximum subsidized amount allowed = \$5,500)	\$12,500 (maximum subsidized amount allowed = \$5,500)



Before starting classes, complete the required **Loan Agreement for a Subsidized/Unsubsidized loan (MPN)** and required **Entrance Counseling at [studentaid.gov](http://studentaid.gov)**

Information provided is current as of 06/20

# Options for Financing

Below are descriptions of a few popular options for financing college costs.

It is important to note that most families use a combination of financing options to manage the total family share.

Type	Descriptions
<b>Tuition Payment Plans</b>	<ul style="list-style-type: none"> <li>No interest payments</li> <li>Typically payments are divided over 8 - 12 months</li> <li>Helps to limit the need for borrowing by allowing families to pay college costs from current income</li> <li>Enrollment fee varies by plan</li> <li>Financial aid office provides information about payment plans</li> </ul>
<b>Federal Direct PLUS Loan (Parent Loan for Undergraduate Students)</b>	<ul style="list-style-type: none"> <li>Fixed interest rate of 5.30%</li> <li>Loan origination fee of 4.228%</li> <li>10-year repayment typically begins after second disbursement; options available to defer payments while student is enrolled at least half time</li> <li>Credit pre-approval process, valid for 180 days</li> <li>Interest may be tax deductible. Visit <a href="http://irs.gov">irs.gov</a> for more information</li> <li>Parent is solely responsible for loan</li> <li>Annual maximum is determined by the cost of education less any other aid</li> <li>An additional loan fee will be deducted from each disbursement.</li> <li>Apply at <a href="http://studentaid.gov">studentaid.gov</a></li> </ul>
<b>Home Equity Line of Credit (HELOC)</b>	<ul style="list-style-type: none"> <li>Revolving credit line, much like a credit card, that is backed by the portion of the home value that the borrower owns outright</li> <li>Interest rates are most often variable and payments will vary depending on the interest rate and amount owed</li> <li>Do your research as certain fees may apply</li> <li>As of 2018, interest is not tax deductible if disbursement is used for college.</li> </ul>
<b>Home Equity Loan</b>	<ul style="list-style-type: none"> <li>A one-time lump sum loan based on the amount of equity a homeowner has in the property</li> <li>Usually features a fixed rate, payment and term</li> <li>Do your research as certain fees may apply</li> <li>As of 2018, interest is not tax deductible if disbursement is used for college.</li> </ul>
<b>Private Student Loans</b>	<ul style="list-style-type: none"> <li>A loan in the student's name</li> <li>Often there are deferred payments while in-school</li> <li>Usually requires a creditworthy co-signer</li> <li>Eligibility and rate are determined by student/co-signer credit bureau score FICO score is used frequently. Visit <a href="http://myfico.com">myfico.com</a> for more information</li> <li>Applicant must compare rates, terms, repayment options, loan limits and fees</li> <li>Usually interest rate is based on LIBOR or PRIME rates (common financial indexes, which are often used as base rates in lending)</li> </ul>

Be certain to check with your college financial aid office for additional information.

## Estimate Your Payments

NHHEAF Calculators  
[nhheaf.org/calcs.asp](http://nhheaf.org/calcs.asp)

College Cost | College Savings  
Expected Family Contribution  
Borrower Benefits | Consolidation  
College Loan Repayment  
FICO Score Estimator

Amount	Federal Direct Loan Payment	Federal PLUS Loan Payment
\$12,000	\$115	\$129
\$27,000	\$257	\$290
\$50,000		\$537
\$75,000		\$806
\$100,000		\$1,075
\$125,000		\$1,344

Payments are rounded to whole dollars and based on a 10 year term with the current year's interest rates of 2.75% for Direct Loans and 5.30% for PLUS Loans.