



# Undergraduate Federal Aid Programs



| Federal Student Aid Program                        | Types of Aid  | Program Details  | Annual Award Limits                        |   |   |
|--|---|--|--|---|---|
| Federal Pell Grant                                 | 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 \$6,195                              |   |   |
| Federal Supplemental Educational Opportunity Grant | 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                              |   |   |
| Federal Work Study (FWS)                           | 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 |   |   |
| Subsidized Federal Direct Loans                    | 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, 2018 - June 30, 2019, the interest rate is 5.04% fixed. A loan fee of 1.062% is deducted from each disbursement.   | <b>Year in College</b>                     | <b>Dependent Undergraduate Student (Annual Loan Limits)</b> | <b>Independent Undergraduate Student (Annual Loan Limits)</b> |
|  |   |  | First Year                                 | \$5,500 (maximum subsidized amount allowed = \$3,500)       | \$9,500 (maximum subsidized amount allowed = \$3,500)         |
|  |   |  | Second Year                                | \$6,500 (maximum subsidized amount allowed = \$4,500)       | \$10,500 (maximum subsidized amount allowed = \$4,500)        |
| Unsubsidized Federal Direct Loans                  | 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, 2018 - June 30, 2019, the interest rate is 5.04% fixed. A loan fee of 1.062% is deducted from each disbursement.<br><br>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. | Third Year and Beyond                      | \$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 [studentloans.gov](http://studentloans.gov)**

# 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  | Description  |
|---|--|
| Tuition Payment Plans   | <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>   |
| Federal Direct PLUS Loan (Parent Loan for Undergraduate Students) | <ul style="list-style-type: none"> <li>• Fixed interest rate of 7.59%</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>• A loan fee of 4.248% will be deducted from each disbursement</li> <li>• Apply at <a href="http://studentloans.gov">studentloans.gov</a></li> </ul> |
| Home Equity Line of Credit (HELOC)                                | <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>• Beginning in 2018, interest is not tax deductible if disbursement is used for college.</li> </ul>   |
| Home Equity Loan  | <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>• Beginning in 2018, interest is not tax deductible if disbursement is used for college.</li> </ul>  |
| Private Student Loans   | <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.

**REPAYMENT ESTIMATOR**  
standard 10-year Repayment Plan

| Loan Amount | Term (months) | Monthly Direct Payment | Monthly PLUS Payment |
|-------------|---------------|------------------------|----------------------|
| \$5,500     | 120           | \$58                   | \$66                 |
| \$10,500    | 120           | \$112                  | \$125                |
| \$19,000    | 120           | \$202                  | \$226                |
| \$23,000    | 120           | \$244                  | \$274                |
| \$27,000    | 120           | \$287                  | \$322                |
| \$35,000    | 120           | \$372                  | \$417                |

Payments are rounded to whole dollars. Based on the current year's interest rates of 5.04% for Direct Loans and 7.59% for PLUS Loans.

## NHHEAF CALCULATORS

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

College Cost • College Savings • Expected Family Contribution • Borrower Benefits

Consolidation Calculator • College Loan Repayment FICO Score Estimator

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