

Financial Aid 101



Apply for Federal Student Aid

What is Federal Student Aid?

It's money from the federal government that helps you pay for college, career school, or graduate school expenses. Federal student aid is available through grants, work-study funds, and loans.

How do I apply for aid?

You need to complete the Free Application for Federal Student Aid (FAFSA®) form by logging in at fafsa.gov to apply online, or completing and mailing the FAFSA PDF. Students and parents will need an FSA ID (account username and password) to sign the form online. You'll also use your FSA ID to access information about your financial aid on U.S. Department of Education websites. You can create an FSA ID in advance or while you fill out the FAFSA form. To find out more about the FSA ID, visit: StudentAid.gov/help-center/answers/article/fsa-id.

When should I apply?

You can apply as soon as the FAFSA form is available for the next school year. You'll need to reapply for aid every year you are in school. Here's a summary of key dates for submitting the FAFSA form depending on when you plan to go to school:

2025-2026 Award Year

If you plan to attend college from
July 1, 2025 - June 30, 2026

You will need to submit the
25-26 FAFSA form

You can submit the FAFSA form from
December 1, 2024 - June 30, 2026

2026-2027 Award Year

If you plan to attend college from
July 1, 2026 - June 30, 2027

You will need to submit the
26-27 FAFSA Form

You can submit the FAFSA form from
October 1, 2025 - June 30, 2027

Reminder



The FAFSA® form is free!

Completing and submitting the FAFSA form is free and quick, and it gives you access to most sources of financial aid to pay for college or career school-federal, state, and school resources.

Who gets federal student aid?

Every student who meets certain eligibility requirements can get some type of federal student aid.

Some of the most basic eligibility requirements for students are that you must:

- demonstrate financial need (for most programs);
- be a U.S. citizen or an eligible noncitizen;
- have a valid Social Security number (some exceptions apply);
- be enrolled or accepted for enrollment in an eligible degree or certificate program;
- be enrolled at least half-time (for most programs); and
- maintain satisfactory academic progress in college, career school, or graduate school.

For the full list of eligibility requirements, visit StudentAid.gov/eligibility.

Are you considered a dependent or independent student when it comes to the FAFSA® form? Find out at StudentAid.gov/dependency.

Types of Aid

Amounts shown are awarded annually and are subject to change

A **Federal Grants: Money that generally doesn't have to be paid back**

Federal Pell Grant

Up to \$7,395 for the 2025–26 award year

For undergraduates with financial need who have not earned a bachelor's or professional degree.

For details and updates, visit StudentAid.gov/pell-grant.

Federal Supplemental Educational Opportunity Grant (FSEOG)

Up to \$4,000 per year

For undergraduates with exceptional financial need. Federal Pell Grant recipients take priority.

Funds depend on availability at school. For details and updates, visit StudentAid.gov/FSEOG

B **Federal Work–Study: Money is earned through a job and doesn't have to be repaid**

Your total work–study award depends on

- when you apply
- your level of financial need, and
- your schools funding level

Does work–study count as income on fafsa?

The good news, however, is that your work–study income does not count against your FAFSA® financial aid award. That means when you go to file for aid in the future, the income you made at your work–study jobs won't count against you.

For Federal Work–Study program details and updates, visit StudentAid.gov/workstudy

C Federal Student Loans: These are loans that accumulate interest; they must be repaid

Subsidized Loans

For undergraduate students who have financial need. A student must be enrolled at least half-time. Direct Subsidized Loans made to undergraduate students during the 2025-26 award year have a fixed interest rate of 6.39% for the life of the loan.

Up to \$5,500, depending on grade level and dependency status.

For more details and updates visit StudentAid.gov/sub-unsub

Unsubsidized Loans

For undergraduate and graduate or professional students. A student must be enrolled at least half-time. Financial need is not required. Direct Unsubsidized Loans made to undergraduate students during the 2025-26 award year have a fixed interest rate of 6.39% for the life of the loan.

Direct Unsubsidized Loans made to graduate or professional students during the 2025-26 award year have a fixed interest rate of 7.94% for the life of the loan.

For undergraduate students, up to \$12,500 (less any subsidized amounts received for the same period), depending on grade level and dependency status. For graduate or professional students, up to \$20,500.

For more details and updates visit StudentAid.gov/sub-unsub

Direct PLUS Loans

For parents of dependent undergraduate students and for graduate or professional students. A student must be enrolled at least half-time. Financial need is not required.

Direct PLUS Loans made during the 2025-26 award year have a fixed interest rate of 8.94% for the life of the loan. Maximum amount is the cost of attendance minus any other financial aid received.

For more details and updates visit StudentAid.gov/plus

Interest rates for Direct Loans are determined each year. When the rates are determined, they apply to all loans that have a first disbursement date during the period beginning on July 1 of one year and ending on June 30 of the following year. Loans received during different award years may have different fixed interest rates. For more information on interest rates, visit StudentAid.gov/interest.



Don't let your interest capitalize!

If you have unsubsidized or PLUS loans, then interest accumulates on these loans before you begin repayment (e.g., while you are in school}. Consider paying interest on your federal student loans while you're in school, and during grace, deferment, and forbearance periods to avoid capitalization (the addition of unpaid interest to the principal balance of your loan). Capitalization increases your loan balance, and interest will then accrue on that higher principal amount.

Next steps after completing the FAFSA®:

After you submit your FAFSA form, you'll receive a FAFSA Submission Summary (FSS) that summarizes the data you submitted. If you provided a valid email address in your application, you'll receive an email with instructions on how to access an online copy of your FSS within three days (if you apply at fafsa.gov) or three weeks (if you mail in a paper FAFSA form).

- When you receive your FSS, review it to make sure you didn't make any mistakes on your FAFSA form.
- If you don't need to make any changes to the information on your FSS, just keep it for your records.
- To find out how to correct mistakes or make updates to your FAFSA form, visit studentaid.gov/help/how-correct-fafsa



Do I have to repay my loans?

Yes. Student loans, unlike grants and work-study funds, are borrowed money that must be repaid, with interest, just like car loans and home mortgages. You cannot have these loans canceled because you didn't like the education you received, didn't get a job in your field of study, or are having financial difficulty. So think about the amount you'll have to repay before you take out a loan and only borrow the amount you need. Learn more about loan repayment at StudentAid.gov/repay.

What is a financial aid offer and how much will I get?

If you applied for admission to a college or career school you listed on your FAFSA form, that school will get your FAFSA information. The school will calculate your aid and send you an aid offer (often electronically). Most schools will wait to send you an aid offer only after they accept you for admission. The aid offer will tell you how much aid you're eligible to receive at that school and will include the types and amounts of financial aid you may receive from federal, state, private, and school sources. This combination of help from different sources is your financial aid package. How much aid you receive depends on some factors, including:

- cost of attendance (for each school);
- **Student Aid Index (SAI)**—the **SAI** *does not* represent a dollar amount but, instead, it's a number used to calculate how much financial aid you're eligible to receive based on your FAFSA information;
- year in school; and
- enrollment status (e.g., full-time, half-time, etc.).

You can compare school aid offers and see which school is most affordable once financial aid is taken into account. Contact the school's financial aid office if you have any questions about the aid being offered to you. For more information on how aid is calculated, visit StudentAid.gov/how-calculated.

How will I receive my financial aid?

Your college or career school—not the U.S. Department of Education—will distribute your aid.

In most cases, your federal student aid will be applied directly to your school account.

The financial aid staff at your school will explain exactly how and when your aid will be disbursed (paid out).