

Federal Financial Aid FAQ



Federal Loans

The William D. Ford Direct Loan Program (DL) uses Treasury funds to make loans to students to pay for college. Student borrowers must repay the federal government for their loans.

There are 3 types of loans under the Direct Loan program: Stafford loans, PLUS loans, and Consolidation loans.

Stafford loans are either subsidized or unsubsidized.

- **“Subsidized”** means the federal government pays the interest on the loan while the student is in school. Subsidized loans are only available to low-income students.
- **“Unsubsidized”** means interest accrues on the loan while the student is in school. Unsubsidized loans are not based on need.

PLUS loans are unsubsidized and may be made up to the cost of education not covered by other aid to graduate/professional students and to the parents of dependent undergraduate students.

Consolidation loans are made to former students for the purpose of combining educational loans from various federal programs into a single loan.

Federal Pell Grant Program

Pell Grants are the largest student aid program and the foundation of federal student aid. Unlike student loans, they do not have to be repaid. They are awarded from the federal government to low-income students for undergraduate study at all colleges and universities.

Federal Supplemental Educational Opportunity Grants (SEOG)

SEOG grants, unlike student loans, do not have to be repaid. They are awarded to the neediest Pell Grant recipients at participating institutions. Colleges match federal funding to help low-income students borrow less and persist to completion.

Federal Work Study Program

FWS provides part-time jobs to help students work their way through college while building professional skills. Colleges and other employers match federal funding for jobs at participating institutions, local businesses, or in community service. Work study recipients are connected to the campus community, which helps them complete college on time.