

CONTACTS

StudentAid.gov

Find detailed information about federal student aid and the FAFSA application process. The site includes helpful publications and tools for managing Direct Loans.

www.StudentLoans.gov

Get more information about completing the Master Promissory Note, Direct PLUS Loan requests, and entrance counseling.

www.nslds.ed.gov

National Student Loan Data System (NSLDS®)

For information about all of your federal student loans and federal grants, visit NSLDS. Note that NSLDS does not include information about any private loans you may have received.

Stay connected:

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Note: The information in this document was compiled in the fall of 2012. For updates or additional information, visit StudentAid.gov or phone 1-800-4-FED-AID.



Financial Aid for Graduate and Professional Degree Students

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

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Are you headed for graduate or professional school and wondering how to pay for your education?

Federal Student Aid, a part of the U.S. Department of Education (ED), is the largest provider of student financial aid in the nation. We offer more than \$150 billion each year to help millions of students pay for higher education. Be aware of the myths and get the facts about financial aid from this brochure, where you will find an overview of

- the federal financial aid programs for graduate and professional degree students;
- the basic eligibility requirements;
- how to apply for financial aid;
- where to find other sources of aid (state, school, and scholarship); and
- the key items to consider before taking out a student loan.

Myths and Facts

Myth: Parents' personal and financial information must be reported on the *Free Application for Federal Student Aid* (FAFSASM).

Fact: In almost all cases, graduate and professional degree students are considered independent students and are not required to supply parent information on the FAFSA.

Myth: It takes hours to complete the FAFSA and it's expensive.

Fact: Completing the FAFSA online is easy and free. Recent statistics show that it takes an average of 17 minutes for independent students to complete it. You can complete the FAFSA at www.fafsa.gov.

Myth: Private loans from my bank or credit union are as desirable as federal student loans.

Fact: There are key differences between federal loans and private loans. Federal student loans offer several repayment plans, including an option to tie your monthly payment to your income. Learn more about the differences between federal and private student loans at StudentAid.gov/federal-vs-private.

Which types of federal student aid can I receive?

Graduate and professional degree students may be eligible to receive aid from the following federal student aid programs:

■ **The William D. Ford Federal Direct Loan (Direct Loan) Program**—This is the largest federal student loan program. Under this program, ED is your lender rather than a bank or other financial institution. There are two types of Direct Loans that graduate and professional degree students may receive:

- **Direct Unsubsidized Loans**—Eligible students may borrow up to \$20,500 per school year. Graduate and professional students enrolled in certain health profession programs may receive additional Direct Unsubsidized Loan amounts each academic year. Contact your school's financial aid office for details.
- **Direct PLUS Loans**—Eligible graduate and professional degree students who need to borrow more than the maximum unsubsidized loan amounts to meet their education costs may apply for a PLUS loan. A credit check will be performed during the application process.

■ **Federal Perkins Loan (Perkins Loan) Program**—This is a school-based loan program for eligible students with exceptional financial need. You may qualify for a Perkins Loan of up to \$8,000 each year depending on your financial need, the amount of other aid you receive, and the availability of funds at your school.

■ **Teacher Education Assistance for College and Higher Education (TEACH) Grant**—The TEACH Grant Program provides grants of up to \$4,000 a year to students who are completing or plan to complete course work needed to begin a career in teaching. The TEACH Grant is different from other federal student grants in that it requires you to take certain kinds of classes to get the

grant, and then to do a certain kind of job to keep the grant from turning into a loan.

- **Federal Work-Study (FWS) Program**—The Federal Work-Study Program provides part-time jobs for undergraduate and graduate students with financial need. This program allows you to earn money to help pay education expenses. The program encourages community service work and work related to your course of study.
- **Federal Pell Grant**—A Federal Pell Grant, unlike a loan, does not have to be repaid. You may be eligible to receive a Federal Pell Grant if you are enrolled in a postbaccalaureate teacher certification program. Amounts can change yearly.

Note: Not all schools participate in the federal student aid programs or offer all the types of aid described above. To learn more about the federal student aid programs, contact your school's financial aid office and visit [StudentAid.gov/types](https://studentaid.gov/types).

What are the eligibility requirements?

To qualify for federal student aid (grants, loans, and work-study funds), you must meet certain requirements. Some of our general eligibility requirements are that you must demonstrate financial need (for most programs), be a U.S. citizen or eligible noncitizen, be enrolled or accepted for enrollment as a regular student in an eligible degree or certificate program, and more. Make sure you're familiar with our basic eligibility criteria, and, if you have any questions about whether or not you qualify, contact your school's financial aid office. Learn more about the basic eligibility requirements for federal student aid at [StudentAid.gov/eligibility](https://studentaid.gov/eligibility).

How do I apply for aid?

To apply for federal student aid, you first need to complete the FAFSASM. Many states and colleges use your FAFSA data to determine your eligibility for state and school aid, and some private financial aid providers may use your FAFSA information to determine whether you qualify for their aid.

Don't Pay Money to Complete the FAFSA!

The FAFSA is a free application. Fill it out at www.fafsa.gov. Other sites may charge you.

What other types of financial aid can I receive?

Aid From Other Federal Agencies

To find out about funding from agencies other than ED, visit [StudentAid.gov/types](https://studentaid.gov/types).

State Aid

Many states offer assistance for graduate or professional school. Find state grant agency contact information at www.ed.gov/sgt.

School Aid

Statistics show that schools may provide nearly as much student aid as the federal government does. To find out what aid your school offers, contact the financial aid office as well as a faculty member in your area of study.

Where else should I look for funding?

Check out the following sources for additional funding:

- The Internet (there is a free scholarship search from the U.S. Department of Labor at www.careerinfonet.org/scholarshipsearch)

- The reference section of your school or public library
- Foundations, organizations (e.g., religious, community, professional, ethnicity-based), local businesses, and civic groups
- Your employer
- Your state vocational rehabilitation agency, if appropriate (a list of state agencies is at www.ed.gov/svr and at www.disability.gov)

Key points to consider when taking out a student loan

- ✓ **Finance your education with free money first (scholarships and grants), then earned money (work-study), and, finally, borrowed money (federal student loans).**

You don't have to repay scholarships, grants, or work-study funds. When accepting the aid offered by your school, keep in mind that you don't have to accept the full loan amount offered. You may request and borrow a lower amount.

Don't forget to research the potential tax benefits of higher education at the Internal Revenue Service's website at www.irs.gov.

- ✓ **What is the source of the loan? Is it a federal loan or a private student loan?**

Student loans can come from the federal government or from private sources such as a bank or financial institution. Learn more about the differences between federal and private student loans at [StudentAid.gov/federal-vs-private](https://studentaid.gov/federal-vs-private).

- ✓ **What are the terms and conditions of the loan?**

It's important to understand what you're signing up for. Understand the terms of your loan and keep

copies of your loan documents. The Master Promissory Note (MPN) is the legal document you must sign to receive a federal student loan. When you sign your promissory note, you are agreeing to repay the loan according to the terms of the note even if you don't complete your education, can't get a job after you complete the program, or you don't like the education you received.

- ✓ **How will the amount you borrow in student loans affect your future finances, and how much can you afford to repay?**

Your student loan payments should be only a small percentage of your salary after you graduate, so it's important not to borrow more than you need for your school-related expenses. Plan and budget for now and for the future. And learn about Income-Based Repayment and other student loan repayment plans at [StudentAid.gov/repay-loans/understand/plans](https://studentaid.gov/repay-loans/understand/plans). Use the financial aid awareness counseling tool at [StudentLoans.gov](https://studentloans.gov).

- ✓ **Have you heard about Public Service Loan Forgiveness (PSLF)?**

Under PSLF, you may be eligible to have some portion of your loans forgiven if you work in public service. Learn about our loan forgiveness programs at [StudentAid.gov/publicservice](https://studentaid.gov/publicservice).

Additional Resources for Postgraduate Study

- Find a graduate school at www.nces.ed.gov/collegenavigator.
- Learn about admissions tests for graduate or professional school at [StudentAid.gov/prepare-for-college/tests](https://studentaid.gov/prepare-for-college/tests).