

# Federal Student Grant Programs

The federal government provides grant funds for students attending colleges, career schools, and universities. Grants, unlike loans, are sources of free money and do not have to be repaid.\* The major federal student grant programs are briefly described below.

Federal Grant Program	Program Details	Annual Award (subject to change)
<b>Federal Pell Grant</b>	<ul style="list-style-type: none"> <li>Awarded to undergraduate students who have exceptional financial need and who have not earned a bachelor's, graduate, or professional degree; in some cases, students enrolled in a postbaccalaureate teacher certification program may receive a Federal Pell Grant</li> <li>A student who meets certain requirements might be eligible for a larger Pell Grant if his or her parent died as result of military service in Iraq or Afghanistan or in the line of duty as a public safety officer</li> <li>Pell Grant lifetime eligibility is limited to 12 semesters or the equivalent</li> </ul>	Up to \$6,345 for the 2020–21 award year
<b>Federal Supplemental Educational Opportunity Grant (FSEOG)</b>	<ul style="list-style-type: none"> <li>Awarded to undergraduate students who have exceptional financial need and who have not earned a bachelor's or graduate degree</li> <li>Federal Pell Grant recipients receive priority</li> <li>Not all schools participate in this program</li> <li>Funds depend on availability at the school; check for the school's deadline</li> </ul>	Up to \$4,000 a year
<b>Teacher Education Assistance for College and Higher Education (TEACH) Grant</b>	<ul style="list-style-type: none"> <li>For undergraduate, postbaccalaureate, or graduate students who are enrolled in programs designed to prepare them to teach in a high-need field at the elementary or secondary school level</li> <li>Must agree to serve for a minimum of four years (within eight years of completing or ceasing enrollment in the program for which the student received the grant funds) as a full-time teacher in a high-need field in a school or educational service agency that serves low-income students</li> <li>Must attend a participating school and meet certain academic achievement requirements</li> <li>Failure to complete the teaching service commitment will result in the grant being converted to a Direct Unsubsidized Loan that must be repaid</li> </ul>	Up to \$3,764 for grants first disbursed on or after Oct. 1, 2019, and before Oct. 1, 2020
<b>Iraq and Afghanistan Service Grant</b>	<ul style="list-style-type: none"> <li>For students whose parent or guardian was a member of the U.S. armed forces and died as a result of performing military service in Iraq or Afghanistan after the events of 9/11</li> <li>Must be ineligible for a Pell Grant due to having less financial need than is required to receive Federal Pell Grant funds</li> <li>Must have been younger than 24 years old or enrolled at least part-time at a college or career school at the time of the parent's or guardian's death</li> </ul>	Up to \$5,829.50 for grants first disbursed on or after Oct. 1, 2019, and before Oct. 1, 2020

\*Occasionally a student may have to pay back part or all of a grant if, for example, he or she withdraws from school early or doesn't fulfill the requirements of the TEACH Grant service obligation.

Looking for more sources of free money? Try [StudentAid.gov/scholarships](https://studentaid.gov/scholarships) for tips on where to look and for a link to a free scholarship search tool. For more information on grants, visit [StudentAid.gov/grants](https://studentaid.gov/grants). Find this fact sheet at [StudentAid.gov/resources#grant-programs](https://studentaid.gov/resources#grant-programs).

## Have questions? Contact or visit the following:

- [StudentAid.gov](https://studentaid.gov)
- a school's financial aid office
- [studentaid@ed.gov](mailto:studentaid@ed.gov)
- 1-800-4-FED-AID (1-800-433-3243)
- TTY for the deaf or hard of hearing: 1-800-730-8913



# Federal Student Loan Programs

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## Will you need a loan to attend college?

If you need a loan to help cover the cost of a college or career school education, think federal student loans first. Both federal and private student loans are borrowed funds that you must repay with interest, but federal student loans usually offer lower interest rates and have more flexible repayment terms and options than private student loans.

### 1. What is a federal student loan?

A federal student loan is made through a loan program administered by the federal government.

### 2. What is a private student loan?

A private student loan is a nonfederal loan made by a private lender, such as a bank or credit union. The terms and conditions of private student loans are set by the lender, not the federal government. If you're not sure whether you're being offered a private loan or a federal loan, check with the financial aid office at your school.

### 3. Why are federal student loans usually a better option for paying for a college or career school education?

Federal student loans offer many benefits that don't typically accompany private loans. These include fixed interest rates, income-based repayment plans, loan cancellation for certain types of employment, deferment (postponement) options, and interest rate reduction based on repayment method. Also, private loans usually require a credit check, while most federal loans for students do not. For these reasons, students and parents should always exhaust federal student loan options first before considering a private loan.

### 4. How much should I borrow?

You can determine whether you need a loan and how much you need to borrow by adding up the total cost of your education (tuition, fees, room and board, etc.) and subtracting the amount of scholarships, grants, and savings you have to contribute to those costs. You should borrow only what you need, and consider the earning potential in your chosen profession to determine how easily you'll be able to repay your debt. You can find salary estimates for various occupations in the U.S. Department of Labor's Occupational Outlook Handbook at [www.bls.gov/ooh](http://www.bls.gov/ooh). Your student loan payments should be only a small percentage of your salary after you graduate.

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## What kinds of federal student loans are available?

The interest rates shown are fixed rates for the life of the loan.

Federal Loan Program	Program Details	Annual Award (subject to change)
<b>Direct Subsidized Loans</b>	<ul style="list-style-type: none"> <li>For undergraduate students with financial need</li> <li>For loans first disbursed on or after July 1, 2019, and before July 1, 2020, the interest rate is 4.53%</li> <li>You're not usually charged interest on the loan during certain periods, such as when you're in school at least half-time</li> <li>The U.S. Department of Education (ED) is the lender; payment is owed to ED</li> </ul>	<p>Up to \$5,500 depending on grade level and dependency status*</p> <p>For total lifetime limit, go to <a href="http://StudentAid.gov/sub-unsub">StudentAid.gov/sub-unsub</a></p>
<b>Direct Unsubsidized Loans</b>	<ul style="list-style-type: none"> <li>For undergraduate, graduate, and professional degree students; financial need isn't required</li> <li>For loans first disbursed on or after July 1, 2019, and before July 1, 2020, the interest rate is               <ul style="list-style-type: none"> <li>4.53% for loans made to undergraduate students, and</li> <li>6.08% for loans made to graduate and professional degree students</li> </ul> </li> <li>You're responsible for paying the interest during all periods</li> <li>ED is the lender; payment is owed to ED</li> </ul>	<p>Up to \$20,500 (less any subsidized amounts received for same period) depending on grade level and dependency status*</p> <p>For total lifetime limit, go to <a href="http://StudentAid.gov/sub-unsub">StudentAid.gov/sub-unsub</a></p>
<b>Direct PLUS Loans</b>	<ul style="list-style-type: none"> <li>For parents who are borrowing money to pay for their dependent undergraduate child's education, and for graduate or professional degree students;* financial need isn't required</li> <li>For loans first disbursed on or after July 1, 2019, and before July 1, 2020, the interest rate is 7.08%</li> <li>You must not have an adverse credit history (unless you meet certain additional eligibility requirements) **</li> <li>ED is the lender; payment is owed to ED</li> </ul>	<p>Maximum amount is the cost of attendance (determined by the school) minus any other financial aid the student receives</p>

\*Learn about dependency status at [StudentAid.gov/dependency](http://StudentAid.gov/dependency).

\*\*Learn about PLUS loans and adverse credit at [StudentAid.gov/plus](http://StudentAid.gov/plus).

Note: Find interest rates on loans disbursed before July 1, 2019, at [StudentAid.gov/interest](http://StudentAid.gov/interest).

For more information on loans, visit [StudentAid.gov/loans](http://StudentAid.gov/loans). Find this fact sheet at [StudentAid.gov/resources#loan-programs](http://StudentAid.gov/resources#loan-programs).

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