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## **The FAFSA Files: Checking out federal financial aid options**

The FAFSA may be the most important form you'll need to start your college career. It stands for Free Application for Federal Student Aid and can help pay for school tuition and fees, room and board, books, supplies--just about anything that has a price tag during your post-high school education.

### **The early bird**

It is important to file as soon as you can after the 1<sup>st</sup> of January. Need-based aid is limited, and the earlier you file the more likely you are to be considered for this crucial assistance. So you have the date marked, now what?

There are two ways to fill out the FAFSA form. You can head to [fafsa.ed.gov](http://fafsa.ed.gov) and submit the application electronically, or call 1-800-4-FED-AID to request one by mail.

*Helpful Hint:* Print out a worksheet for practice before submitting.

### **The essential equipment**

Gather these documents to get yourself to the finish line:

- Social Security number
- Your W-2 forms
- Your federal income tax return
- Your parent's federal income tax return (if you claim dependence)
- Driver's license (or other ID if you're not a U.S. Citizen)
- Current bank statements
- Your stock, bond and other investment records

While you want to be as accurate as possible when filling out the FAFSA, if you are unable to get all the necessary forms right away, it could be better to estimate and submit your application soon after the first to avoid missing out on limited aid, then make corrections later.

### **And the award goes to...**

There are several different federal aid options you could qualify for during the FAFSA process. Grants, loans and work-study programs are just a few that can help you meet your financial needs.

Grants are like a freshly baked cake. They make you feel all warm and good inside because they don't need to be repaid. Here are a few examples:

- Pell Grants can provide \$400 to \$4,731.
- Federal Supplementary Educational Opportunity Grants offer \$100 to \$4,000.
- The Academic Competitiveness Grant gives \$750 for the first year of undergraduate study and up to \$1,300 for the second.

*Helpful Hint:* Don't forget that many colleges offer their own grants and scholarships you can apply for.

Federal Work-Study is a program that provides students funding for their education through part-time employment. Once a student is awarded Federal Work-Study, they become eligible for certain jobs through their university where their allotted salary (equal to at least federal minimum wage) is paid for by the school.

Loans, on the other hand, need to be repaid. There are several different types of federal loans; here are a few examples:

- Federal Perkins Loans are designed to offer undergraduates with exceptional financial need up to \$4,000 a year. The school is your lender, using funds provided to them by the government.
- PLUS Loans are available to parents in the amount equal to the cost of their child's attendance minus other financial aid received.
- Stafford Loans can be subsidized or unsubsidized, and come in two varieties. Federal Family Education Loans (FFEL) loans are provided by private lenders, while Direct Loans are given by the government directly to students and their parents.

*Helpful Hint:* Loans can be subsidized, meaning that the U.S. Department of Education pays for the interest accrued while you're in school, or unsubsidized, when you are responsible for paying all interest accumulated.

**Bottom Line:** Almost 95 billion dollars in new federal aid will be available to students for their post-secondary education in 2009. Don't let a lack of money dissuade you from pursuing a college education and experience.

*Sources:* [fafsa.ed.gov](http://fafsa.ed.gov); [studentaid.ed.gov](http://studentaid.ed.gov); [umn.edu](http://umn.edu); [collegeboard.com](http://collegeboard.com); [finaid.org](http://finaid.org); [nextstudent.com](http://nextstudent.com); [ed.gov](http://ed.gov); [nasfaa.org](http://nasfaa.org)

### **Stats**

\$13,589 is the average public cost for room, board, tuition and fees in 2007-08, a 5.9 percent increase over the year before.

*Source:* [collegeboard.com](http://collegeboard.com)

22% of all full-time students attended public two-year colleges in 2007-2008.

*Source:* collegeboard.com

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