

# Major Sources of Financial Aid

## Federal Direct Subsidized Stafford Loan

Students must complete the FAFSA application and demonstrate financial need according to the federal formulas in order to be eligible for subsidized direct loans. These loans are processed through the Department of Education. Under this program, the federal government will pay the interest on the loan as long as the borrower is enrolled (matriculated) at least half-time in a degree-seeking program and for six months thereafter. Students must also maintain satisfactory academic progress towards completing their degree requirements.

## Federal Direct Unsubsidized Stafford Loan

Eligibility for the Unsubsidized Direct Loan is not based on a family's demonstrated need. These loans are processed through the Department of Education. The government does not pay the interest on behalf of the borrowers under the Unsubsidized Direct Loan Program. Students are charged interest on this loan from the time the loan is disbursed until it is paid in full. The student borrower has the option to pay the interest while in school, or to allow the interest to accumulate, which adds to the principal amount of the loan and increases the amount to be repaid.

## Federal Direct Stafford Loan Limits

The federal government sets limits on the amount of money a student can borrow. Russell Sage College awards students that have filed the FAFSA the maximum amount eligible under such limits. The annual limit applies to the most a student can borrow in one academic year, while the aggregate limit applies to the maximum a student can borrow in a lifetime.

## Federal Direct Stafford Loan Interest and Fees

See the student.aid.gov website for interest rate and fees for 2020-2019: <https://studentaid.ed.gov/sa/types/loans/interest-rates>

## Federal Direct Parent Loan for Undergraduate Students (PLUS)

The Federal Direct PLUS loan enables parents with good credit histories to borrow funds to pay the educational expenses of each dependent undergraduate child enrolled at least half time. The annual limit of a Direct PLUS is equal to the cost of attendance minus any other financial aid.

Parent borrowers can choose to defer payments on a Federal Direct PLUS loan until six months after the date the student ceases to be enrolled at least half-time. Accruing interest could either be paid by the parent borrower monthly or quarterly, or be capitalized quarterly. Payments on interest can be tax deductible with no penalties for early payoffs. For more information: <https://studentaid.ed.gov/sa/types/loans/plus/parent>

## Pell Grants

The maximum amount can change each award year and depends on program funding. The amount you get will depend not only on your financial need, but also on your costs to attend school, your status as a full-time or part-time student, and your plans to attend school for a full academic year or less.

## Supplemental Educational Opportunity Grants (SEOG)

Up to \$1,500 annually for undergraduate study. These grants are available to students with high financial need.

## Federal Work Study

Student employment funded by Sage and the government. The jobs are in a variety of areas, primarily on campus (examples are the libraries, campus centers, food services, offices and departments), are usually limited to 7-10 hours per week, and generally pay at the prevailing federal minimum wage or slightly above.

## Perkins Loans

The Perkins Loan is awarded to undergraduate students with exceptional financial need. This is a campus-based loan program, with the school acting as the lender using a limited pool of funds provided by the federal government. It is a subsidized loan, with the interest being paid by the federal government during the in-school and 9-month grace periods. There are no origination or default fees and the interest rate is 5% with a 10-year repayment period.

## Veterans' Administration Benefits

The Post 9/11 GI Bill™ provides eligible veterans serving after 9/11/01 with assistance for up to 100% of tuition and fees, plus benefits for books, supplies and housing. Plus, there are other Veterans Administration programs to assist veterans with their college goals. Details can be secured from Russell Sage College's Office of Financial Aid or by contacting the Veterans Administration.