



Quick Facts about Financial Aid:

4 Types of Financial Aid (Grants, Loans, Work-Study, & Scholarships):

Money from the Government:

1. **Grants** – Free money from the government.
2. **Loans** – Money you borrow.
 - a. Government Student Loans (Stafford, Perkins, etc.) – “good debt”
Very low interest rate, no payments due until 6 months after you leave college. It’s easy to skip payments if you’re unemployed, sick, etc.
 - b. Private Student Loans (from banks) – “not-so-good debt”
High interest rates, and banks are aggressive if you can’t make a payment.
3. **Work-Study** – Financial aid you work for (by working on-campus). These are great jobs for students because they’re so flexible (you can work for a few hours between classes, you can take time off easily if you need to study for a test, etc.)

Money from Private Organizations:

4. **Scholarships** - Free money from private organizations (colleges, foundations, etc.)

Notice that these four types of Financial Aid come from two different sources: the first three (grants, loans, and work-study) come from the government, and the fourth type (scholarships) come from private organizations.

FAFSA – The FAFSA application (Free Application for Federal Student Aid) is the only way to apply for government aid (grants, government loans (the “good” loans), and work-study money). Apply in January if possible (the longer you wait the less money you’ll get)! You can fill out a paper application or apply online (www.fafsa.ed.gov). Students from low-income families usually receive over \$5,000 per year in Grants by filling out this one form. To get these grants you don’t have to write an essay, and they don’t care about your GPA, or your community service. All they care about is your family’s financial information. GPA and the rest are important for winning scholarships, but not for grants. Grants are based on financial need only.

Grants – Most students from low-income families get up to \$5,600 per year in grants to attend Oregon community colleges. You can receive even more if you go to a 4-year university.

1. **Pell Grant** – up to \$4,050 / year.
2. **Federal Supplemental Opportunity Grant** – amount varies depending on the school.
3. **Oregon Opportunity Grant** - \$1323 / year to attend community college, more for 4-year Schools.

Important Note: Beware! If you qualify for grants and you work during your senior year, or while you’re in college, then you could be *wasting your time*. If you earn more than \$7,000 per year at your job, then every dollar you earn above the 7,000 is \$1 less that you will receive in grant money. For example, if you were going to receive \$4,000 in grants, but you work a lot and earn \$10,000 at your job, then your grant award will be \$3,000 less, because you earned \$3,000 more than the \$7,000 limit. So you just worked about 400 hours extra *for nothing!* (\$3,000 divided by minimum wage, after taxes) You could have stayed home and gotten the \$3,000 in grants instead of having to work for it. The bottom line is that if you earn more than \$7,000 per year, then the government expects you to use the rest to pay for college.