

OR101 - Orientation
Prof. Sylvette Parker Monroe
Janice Patton
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Understanding Financial Aid

Read the following article:

<https://www.usnews.com/education/best-colleges/paying-for-college/articles/an-ultimate-guide-to-understanding-college-financial-aid>

1. Discuss the types of Financial Aid.

Financial Aid is any form of funding that helps a student pay for college, such as a Pell Grant or merit-based scholarship.

- **Grants - Federal grants.** This is federal money that doesn't need to be repaid. The most well-known higher education grant for college is the [Pell Grant](#). Eligibility for a Pell is based on a family's [expected family contribution](#), (EFC) and is calculated on the FAFSA. Most Pell Grant recipients have an adjusted family income of \$40,000 or less. A family with an EFC of zero, for example, will qualify for the full Pell.
- **Scholarships.**
A scholarship is money provided by the government, to a college, or another organization to offset some of the costs of attending college. Technically, what many people think of as scholarships are actually grants. The federal government's Pell Grants are one example. The terms 'scholarship' and 'grant' are often used interchangeably. "But most scholarships are awarded based on merit—such as academic, artistic, or athletic talent—and most grants are awarded based on financial need. Some scholarships may be awarded based on both merit and need."
- **Federal or Private Loans.**
Within the types of financial aids available, there are two types of aid that are considered: **Need-based** and **Merit-based**. **Federal** need-based aid, for instance, is determined by a family's demonstrated ability to pay for college as calculated by the FAFSA. **Merit aid** can be awarded by an institution, college or private organization to a student for a specific talent or an athletic or academic ability. These awards aren't based on financial need.

- **Federal Student Loans.**

These are fixed-interest-rate loans from the government. The interest rate for each academic year is set on July 1, and that rate is secured for the life of the loan. The main program for federal student loans is the direct loan program. Under the program, undergraduate students can borrow direct subsidized or unsubsidized loans up to \$31,000 in total if they're a dependent. An undergraduate student classified as independent can borrow up to \$57,500 in total.

Beyond federal, state and institutional aid, there are a few other aid programs to consider that serve specific student groups, such as Peace Corps volunteer benefits and the Reserve Officers' Training Corps program, known as ROTC. Students who participate in ROTC can learn and train at the same time, and some receive a scholarship that covers either tuition, fees and books, or room and board instead.

There are also [military benefits](#) through which veterans, active duty service members and their dependents can pay for school, such as GI Bill benefits that cover all or some costs.

- **Work-Study And Other Programs.**

This program provides part-time work, typically on campus, to help students cover college-related expenses. Not all students qualify for federal work-study. Students need to qualify through the FAFSA with demonstrated financial need. Under work-study, students earn at least \$7.25 per hour, the federal minimum wage. The average amount of federal work-study earned in 2020-2021 was \$1,510, according to the How America Pays for College report.

2. If you have questions regarding financial aid at Huntsville Bible, who should you contact (name, number, and email address)

Name: Rev. Doris Lacey

Number: 256-469-1536

Email Address: finaid@hbc1.edu