



Frequently Asked Questions

Student Loans and Financial Aid

What is financial aid?

Financial aid falls into three main categories: grants and scholarships, work-study, and loans. Funding for these financial aid programs comes from colleges and universities, state and federal government programs, and private sources. Financial aid includes any form of financial assistance that helps you pay for college.

Grants and Scholarships

These forms of financial aid, also known as gift aid, don't have to be repaid and can come in the form of both private and federal programs.

Private Grants and Scholarships

Awarding of private grants and scholarships may be based on academic achievement, religious affiliation, ethnicity, organizational memberships, hobbies, or special talents. Applying for this aid requires persistent, aggressive pursuit and plenty of time. You're wise to begin your search in your Junior year in high school or even earlier, and remember to apply early as funding may be limited.

Federal Grants and Scholarships

When you apply for federal financial aid, your eligibility for federal grant and scholarship programs will also be assessed. Four of the most common federal grant programs are:

- **Federal Pell Grants:** Unlike a loan, Pell Grants do not have to be repaid. Generally, Pell Grants are awarded only to undergraduate students who have not earned a bachelor's or professional degree. To determine if you're eligible financially, the U.S. Department of Education uses a standard formula, established by Congress, to evaluate the information you report when you fill out the FAFSA.
- **Supplemental Educational Opportunity Grants (SEOG):** These grants are awarded to undergraduates with exceptional financial need and gives priority to students who receive Federal Pell Grants. Like the Pell Grant, an SEOG doesn't have to be repaid.
- **Academic Competitiveness Grants (ACGs):** These grants are awarded to first and second-year eligible students who graduate

from a rigorous high school curriculum. Visit studentaid.ed.gov to learn more about what constitutes a rigorous high school curriculum in your state. Second year students must maintain at least a 3.0 cumulative GPA.

- **National Science and Mathematics Access to Retain Talent Grants (National SMART Grants):** These grants are awarded to third and fourth-year eligible students majoring in physical, life or computer sciences, mathematics, technology, engineering, or in certain foreign languages. Students must also maintain at least a 3.0 GPA in coursework required for their major.

Work-Study

The Federal Work-Study Program provides funds that students earn through part-time employment to assist them in financing the cost of college. After filing the FAFSA, part of a financial aid package may include employment through the Federal Work-Study Program at the institution itself; at a federal, state, or local public agency; at a private nonprofit organization; or at a private for-profit organization.

Education Loans

The Federal Family Education Loan Program (FFELP) includes both need and non-need-based Stafford loans for undergraduate and graduate students. In addition, the non-need-based PLUS loan is available for parents and stepparents of dependent undergraduate students and graduate/professional students. Credit Unions and other lending institutions fund FFELP loans and the federal government backs them. Some additional sources of education loan funding include:

- **Federal Perkins Loans:** These loans are available to students with exceptional financial need and are awarded and administered directly by schools. The government pays the interest while you are in college. The amount of Perkins loan you receive is determined by your financial need and whether your school participates.
- **Federal Direct Student Loan Program (FDSLP):** Offers the same basic loan terms as the FFELP, although certain features may differ. The federal government lends money through the Department of Education and the school.

- **Private Education Loans:** These loans are generally intended to supplement other financial aid. Terms and conditions vary by lender so compare several before choosing.
- **Other Loans:** Families can also use home equity and other types of loans for their education financing needs.

Borrow only what you need and only after exhausting all other alternatives. Be sure to use your borrowed funds only for their intended purpose, and always fulfill your repayment obligations.

What is the Financial Aid Process?

It all starts with the Free Application for Federal Student Aid (FAFSA), which collects data about you and your family to determine your eligibility for federal grants, work-study, and loan programs. You should submit this form as soon after January 1 as possible. A few additional points about the FAFSA:

- You will need to file a Renewal FAFSA every year.
- Paper FAFSA forms are available from the financial aid office at your school or through your high school guidance counselor.

Data from the FAFSA will be used to determine your Expected Family Contribution (EFC). Your financial aid office will subtract your EFC from your school's Cost of Attendance (COA) to come up with your financial need. This information is then used to determine your financial aid award package.

Awarding normally starts with gift aid, and then work-study is considered (if you expressed interest in that option). If you still have education costs to cover, you may be eligible for federal education loans. All of these types of aid will be clearly outlined in the award letter you'll receive from your school.

How can I find scholarships?

Scholarships are available through various sources, including colleges and universities, civic organizations, religious institutions and private corporations. Scholarships can be merit-based or need-based. You can find out about scholarships at your local library, through your guidance counselor or through several scholarship search services in the Internet.

How do I apply for financial aid?

The first step is to submit the Free Application for Federal Student Aid (FAFSA). You may also have to complete applications for scholarships and some loans.

What is the FAFSA?

The Free Application for Federal Student Aid is a form that you must complete in order to apply for federal financial aid programs. To ensure you receive all the aid for which you are eligible, you should submit your FAFSA as soon after January 1 as possible.

What factors determine expected family contribution (EFC)?

Your expected family contribution (EFC) is determined using a formula developed by the Department of Education and designed to assess what a family can afford. Factors include the number of family dependents, number of children in college, income, and a percentage of total assets (not including home equity).

What is a student aid report (SAR)?

After filing your FAFSA, you and all of the schools you listed on your FAFSA will receive a copy of your student aid report (SAR). This document lists all of the information you provided and gives you a chance to review that information for accuracy. If you have any changes to your SAR, send corrections to the address listed on the report.

What is a financial aid award?

Your financial aid award is prepared by the financial aid office and lists all the types and amounts of financial aid for which you are eligible. It may include grants, scholarships, work study and loans. You need to carefully review your award and compare award letters as you decide which college to attend.

What is the difference between a subsidized loan and an unsubsidized loan?

A **Subsidized Federal Stafford Loan** is a need-based loan for undergraduate and graduate students. Interest is subsidized by government, meaning, the government pays the interest for you while you are in school at least halftime and for a six-month grace period after you leave school.

An **Unsubsidized Federal Stafford Loan** is not need-based, and the federal government does not subsidize the interest. Therefore, you will be responsible for paying the interest on the loan from the day it is first disbursed. You can, however, choose to defer interest payments until you leave school.

Are there any loans for parents?

Yes. Parents can get PLUS Loans to cover up to the full cost of education less other financial aid received. Repayment begins 60 days after the student drops below half-time status or graduates. For PLUS loans

made on or after 07/01/08, the borrower has the option to postpone repayment until six months after the student ceases to be enrolled at least halftime.

What is a Grad/PLUS loan?

The PLUS loan has been expanded to include eligibility to graduate and professional students. Repayment begins 60 days after disbursement, however a Grad PLUS borrower may receive a deferment when enrolled on at least a half-time basis.

What is the Master Promissory Note (MPN)?

The Master Promissory Note is a legal document where by signing the MPN, you are promising to repay your student loan, regardless of whether you graduate or are satisfied with your education.

Is the MPN my loan application?

No. The MPN is simply the promissory note. Rather than completing a separate application, you begin the loan process each year by answering "yes" to the question on the Free Application for Federal Student Aid (FAFSA) that asks of you are interested in the student loans. The financial aid office will advise you on any additional steps they require in the application process (i.e., completing a loan request or loan information form).

What happens after the MPN has been completed?

Once the MPN has been submitted to Great Lakes, a School Certification Form must be completed by the financial aid office at your school. It is suggested that you stay in contact with Great Lakes and/or the financial aid office to confirm completion. Once the school returns the certification to Great Lakes, the credit union membership has been verified and Parent PLUS/Grad PLUS borrower has passed the credit check, the loan will be guaranteed within 24 hours.

How long is the MPN valid?

The MPN is valid for 10 years from the time you first sign it.

Do I have to sign the MPN each year?

If your school is authorized by the Department of Education, and uses the MPN as a multi-year note, you will only have to sign the note once as long as you don't change your lenders. If you attend a two-year or proprietary school, you will need to complete the MPN each year. If your MPN exceeds 10 years, you must sign a new MPN.

One thing to be careful of is borrowing more than you need. Because you may not have to complete an MPN each year, you may lose track of how much you are

borrowing from year to year. Keep records of all of your student loans. When deciding how much to borrow, be sure to only borrow what you need to meet your education costs.

What if I change lenders? Or change schools?

If you change lenders, you must complete a new MPN. If you transfer to another school, you may have to complete another MPN. The financial aid office at your new school will give you instructions on what to do.

What happens if I list more than one school on the FAFSA and receive an MPN from more than one lender or school?

The financial aid office at the school you plan to attend will certify your MPN for a Stafford loan after they verify your enrollment status. It is your responsibility to inform each school of your plans to attend or decline their acceptance to avoid multiple loan disbursements and unnecessary paperwork.

Who is eligible for federal education loans?

Students who are citizens or permanent legal residents and are attending an approved school at least half time are eligible for federal student loans. Male borrowers must satisfy Selective Service requirements.

What are the interest rates and fees on Stafford and PLUS/Grad PLUS loans?

Interest rates for Stafford, PLUS and Grad PLUS loans are fixed rates as follows:

Undergraduate Subsidized Stafford Loans	6.0%
Graduate Subsidized Stafford Loans Unsubsidized Dependand & Independent Loans	6.8%
PLUS/Grad PLUS loans	8.5%

Stafford loans are subject to an origination fee and up to a 1.0% default fee. PLUS/Grad PLUS loans are subject to a 3.00% origination fee and up to a 1.0% default fee. These fees are deducted from your loan proceeds and will be reflected in your total disbursement amount.

How much can I borrow?

Loan limits depend on your year in school and dependency status. Independent students and dependent students whose parents don't qualify for a PLUS loan are eligible for additional unsubsidized loans.

Federal Loan Limits

	Federal Subsidized Stafford	Federal Unsub Stafford - Dependent	Federal Unsub Stafford - Independent	Federal PLUS/ Grad PLUS
Annual Limits				
Year 1	\$3,500	\$5,500*	\$9,500*	Cost of education less financial aid the student receives
Year 2	\$4,500	\$6,500*	\$10,500*	
Year 3 -5	\$5,500	\$7,500*	\$12,500*	
Graduate	\$8,500	N/A	\$20,500*	
Aggregate Limits				
Undergrad	\$23,000	\$31,000**	\$57,000**	No Cap
Graduate	\$65,000	N/A	\$138,500**	No Cap
*Minus subsidized Stafford awarded				
** Minus subsidized Stafford total previously borrowed				

If I get a loan, how do I get my money?

Generally, loan funds are sent in two disbursements, one at the beginning of each semester. For federal education loans, disbursements are sent to your school's financial aid office via check or electronic funds transfer (EFT). Your financial aid office is then responsible for disbursing the funds to you. You should find out what their procedures are for releasing loan funds.

When do I start repaying loans?

You do not have to begin repaying your loans until six months after you graduate, withdraw or drop below half time. Remember, on unsubsidized loans interest accrues while you are in school. Although you can choose to defer interest until after your grace period, your total loan costs will be higher because accrued interest will be added to your principal balance (capitalized) when you enter repayment.



Glossary

Financial Aid & Student Loan Terms



A

Academic year

A period of time schools use to measure a quantity of study. For example, a school's academic year may consist of a fall and spring semester, during which a student must complete 24 semester hours. Academic years vary from school to school, and even from program to program at the same school.

Accrued Interest

The amount of interest, calculated daily, that has accumulated on the unpaid amount of your loan.

ACT

American College Testing (ACT) publishes the ACT Assessment Test, commonly known as the ACT. It is a standardized, multiple-choice test used by some colleges as part of the admissions process that is administered five times a year. The ACT measures academic achievement in four areas: English, Math, Reading, and Science.

Aid package

A combination of financial aid (scholarships, grants, loans, and/or work-study) determined by the financial aid office of a college or university.

Amortization

The reduction of loan balance by your monthly payment.

Annual Loan Limit

The maximum Federal Stafford, Federal SLS or Federal PLUS loan amount that a guarantor may guarantee for a borrower in an academic year.

Annual Percentage Rate (APR)

What you pay each year to use the money you were lent; the cost of obtaining a loan at a yearly rate.

Award Letter

This official document issued by a college's Financial Aid Office lists all of the financial assistance offered to a student.

Award year

The financial aid award year begins July 1 and ends June 30.

B

Borrower

The student or parent to whom a loan has been made. Students are the borrowers under the Federal Stafford, SLS and Grad PLUS Programs. Parents of a legally dependent undergraduate student are the borrowers under the current Federal PLUS loan program.

Bursar's Office

The university office that is responsible for the billing and collection of university charges.

C

Capitalized

An increase in the principal balance of a Stafford, PLUS, or Consolidation loan that occurs when a lender adds the interest accrued on the loan to the outstanding balance.

Cost of Attendance (COA)

The total amount a student must pay to attend school for one academic year, including tuition, room and board, books, supplies, transportation, and personal expenses. A college's Financial Aid Office determines this figure.

D

Default

A student's loan is considered in default if the borrower does not honor his or her repayment obligation for 270 days and the guarantor concludes that the borrower does not plan on meeting his or her repayment obligation. Legal action may be taken to collect on a defaulted loan.

Default Fee

A fee charged to the borrower by a guarantee agency for each loan that it guarantees. Usually, the lender reduces a borrower's disbursement by this amount and remits the fee to the guarantor. This fee can be no more than one percent of the loan's principal. Also known as insurance fee.

Deferment

A period of time when a borrower is allowed to postpone student loan repayment (under certain conditions) without cost or penalty. The interest on unsubsidized loans continues to accrue during deferment at the

borrower's expense. Contact Great Lakes for specific deferment information.

Delinquent

A loan is considered delinquent the day after a borrower fails to make his or her full loan payment on the agreed upon due date.

Dependent Student

Any undergraduate student who does not meet the criteria for an "independent student". (See definition for "Independent Student.")

Direct Lending Schools

Institutions of higher education which have chosen to place all of their students' federally insured student loans through the Federal Direct Lending Program. Such colleges or universities may either participate exclusively in the Direct Lending Program or allow student (borrowers) to choose the lending program from which to borrow.

Direct Lending Program

See Federal Direct Lending Program

Disbursement

The transfer of loan proceeds by check, master check, or electronic funds transfer (EFT) from a lender forth borrower to the school the student will attend.

Disbursement Notification

A letter that is sent to you acknowledging that your loan is approved and letting you know when the money will be sent to your school, as well as the loan amount and any fees (origination or guarantee). This marks the successful completion of the loan application process.

Disclosure Statement

A notification of the actual cost and terms of a loan, which includes the interest rate and any additional finance charge.

E

Economic Hardship

A period during which the borrower is working full-time but is earning an amount that does not exceed the greater of the minimum wage or poverty line for a family of two. Economic hardship also exists if a borrower's monthly payments on federal education loans are equal to or greater than 20% of the borrower's total monthly gross income, as defined in FFELP regulations.

Electronic Funds Transfer (EFT)

The process whereby your bank sends the loan proceeds electronically to your school if the school participates in this program.

Eligible Citizen

A United States citizen, U.S. national, or resident of

certain U.S. territories who qualify to borrow under the FFEL or FDL student lending programs.

Eligible Non-Citizen

A permanent resident of the United States who is able to present evidence from the Immigration and Naturalization Service that he or she is in the US for other than a temporary purpose with the intention of becoming a citizen or permanent resident.

Endorser

A co-signer of a PLUS Master Promissory Note who agrees to pay the loan if the borrower defaults.

Entrance Counseling

Students with federal educational loans are required to receive counseling before they receive their first loan disbursement, during which the borrower's rights and responsibilities and loan terms and conditions are reviewed with the student. This session may be conducted online, by video, in person with the FAA or FAO, or in a group meeting.

Exit Interview

An in-person or online counseling session with the school's Financial Aid Office before graduation or withdrawal to review the terms and obligations of your student loan.

Expected Family Contribution (EFC)

The portion of a family's financial resources which should be available to help pay for school. Used to determine financial need.

F

Federal Direct Lending Program (FDLP)

The Federal Direct Lending Program is a program initiated by the federal government and designed to enable students to borrow directly from the government through campus financial aid offices.

Federal Family Education Loan Program (FFELP)

Loan programs authorized by Title IV, part B of the higher Education Act of 1965, as amended, that includes the Federal Stafford, Federal PLUS, Federal Grad-PLUS, Federal SLS, and Federal Consolidation Loan Programs. These loan programs are funded by lenders, guaranteed by guarantors, and reinsured by the federal government.

Federal PLUS Loan Program

The Federal PLUS Loan Program (Parent Loan for Undergraduate Students) is a loan for parents of students. They are made available to parents of full-time or half-time dependent undergraduate students. They are also made available to professional/graduate students. Eligibility is determined by the Financial Aid Administrator, and the amount borrowed may not exceed the cost of education less any other aid received.

This loan can be used to pay the Expected Family Contribution.

Federal Stafford Loan Program

The Federal Stafford Loan Program is a loan for students. They are made available to students enrolled at least half-time at an eligible college. Eligibility is determined by the Financial Aid Administrator. There are two types of Stafford loans:

- **Subsidized Stafford Loan** – A need-based, low-interest federal loan designed to provide students who need help the most with additional funds for college. Subsidized means the interest on the loan is paid by the government while the student is in school and during periods of grace and deferment.
- **Unsubsidized Stafford Loan** - A non need-based, low-interest loan designed to provide students who do not qualify for other financial aid, or who still need more money, with additional funds for college. The unsubsidized Federal Stafford loan can be made in conjunction with a subsidized Federal Stafford Loan as long as the maximum annual or aggregate loan limits for subsidized Federal Stafford Loans have not been exceeded.

Financial Aid Office

The office at a college, university, vocational school, or community college that determines a student's eligibility for financial assistance. If a student has specific questions about his or her individual financial aid package, the student should contact his or her financial aid office.

Financial Need (or Aid Eligibility)

The difference between the Expected Family Contribution (the portion of a family's financial resources which should be available to help pay for school), and cost of education (includes tuition and fees, books and supplies, room and board, transportation and personal expenses). This is the amount of aid a student is eligible to receive.

Forbearance

A period of time during which the borrower is permitted to temporarily cease making payments or reduce the amount of his or her payments. The borrower is responsible for the interest that accrues on the loan during the forbearance period.

Free Application for Federal Student Aid (FAFSA)

The Free Application for Federal Student Aid (FAFSA) is a standard federal form used to determine your eligibility for most types of financial aid including Federal Government backed loans. The FAFSA is typically completed early in the year and it requires income,

asset, and tax information from the students and/or parents.

G

Gift Aid

Financial aid in the form of grants and scholarships that does not have to be repaid. It is available through colleges and universities, federal and state programs and private sources.

Grace Period

This is the period that begins the day after you graduate, withdraw, or drop below half-time enrollment status before repayment initially begins on a Stafford loan. For most Stafford loans, this period is six months.

Grants

A form of financial aid, similar to scholarships that do not have to be repaid.

Guaranty Agency

A state or non-profit organization, which has an agreement with the Secretary of Education under the Higher Education Act to insure student loans made by lenders.

Guarantor

A state or private nonprofit organization that agrees to reimburse the holder of a loan if the borrower does not honor his or her repayment obligation.

H

Holder

The holder of a loan is any organization that owns the promissory notes signed by the borrower. Lenders sometimes sell loans to other organizations (called secondary markets) and thus transfer the ownership of their promissory notes. A borrower is required to repay his or her loan to the new holder of the loan.

HOPE Scholarship Tax Credit

The HOPE Scholarship is a tax credit not a scholarship. It is available to those taxpayers who are paying education expenses for students enrolled in their first two years of college.

The Hope Tax Credit is available for up to 100% of the first \$1,100 and 50% of the second \$1,100 paid for qualified expenses.

The exact amount of the Hope credit depends on the family's income, the amount of qualified tuition and fees paid, and the amount of certain scholarships and allowances subtracted from tuition. The total credit is also based on how many eligible dependents are in the family, rather than a maximum dollar amount for the family.

I

Independent Student

A student who meets one of the following criteria: (1) Age 24 or older as of Dec. 31 of the award year, (2) Orphan or ward of the court, (3) Veteran, (4) Graduate or professional student, (5) Married student, (6) Student with legal dependents other than a spouse, or (7) Person with unusual circumstances determined by the financial aid administrator.

Interest

The fee charged to borrow money, usually a percent of the outstanding amount, which accrues and is paid over the life of a loan.

Interest Rate – Fixed

An interest rate that remains the same for the life of the loan. FFELP loans disbursed on or after 07/01/06 have fixed rates.

Interest Rate – Variable

An interest rate that is recalculated on a periodic basis, usually based on the prime rate or the T-Bill rate. For FFELP loans disbursed between 07/01/98 and 06/30/06, this rate changes yearly on July 1.

Interim Period

The period of time from the date a loan is disbursed until the loan enters repayment. The interim period may range from six months to seven years, depending on the type of loan and the student's educational program.

L

Lifetime Learning Tax Credit

The Lifetime Learning Tax Credit is available for all years of postsecondary education and for courses to acquire or improve job skills.

A family may claim a tax credit of up to \$2,000 per tax year for the taxpayer, taxpayer's spouse or any eligible dependents for an unlimited number of tax years. The tax credit equals 20% of the first \$10,000 of qualified educational expenses paid for all eligible students. Therefore, the maximum amount of a Lifetime Learning tax credit is \$2,000.

The exact amount of the credit depends on the family's income, the amount of qualified tuition and fees paid, and the amount of certain scholarships and allowances subtracted from tuition. This credit is family-based rather than based on the number of dependents in a family as with the Hope credit.

M

Master Promissory Note (MPN)

A Master Promissory Note is a legally binding agreement

the borrower signs, in which the borrower promises to pay the loan with interest in periodic installments. Under a MPN, the borrower may receive loans for either a single period or multiple periods of enrollment. If used as a multi-year note, most borrowers will sign the MPN once and the note remains valid for a 10 year period.

Merit-Based Financial Aid

Financial aid granted based on merit (i.e., talents or accomplishments) rather than financial need.

N

Need Analysis

A process, based on detailed family financial information, to determine the amount of financial aid a student qualifies for.

Need-Based Financial Aid

Financial aid granted based on financial need.

Notice of Loan Guarantee and Disclosure Statement

Statement sent to borrower at the time the loan is disbursed. It includes information on the total loan amount, fees, and disbursement dates. Also included on this statement is information regarding total indebtedness and repayment.

O

Origination Fee

Lenders charge this fee to borrowers. The lender is then required to pay this fee to the federal government to help reduce the costs of the program. The percentage is determined by federal law and is typically a percentage of a borrower's disbursement.

P

Pell Grants

One of the largest sources of grants, Pell Grants are distributed by the Federal Government and are designed to help students with financial need pay for college.

Perkins Loans

A campus-based, low interest loan for graduate and undergraduate students. The college acts as the lender using a limited pool of funds provided by the federal government. These loans are awarded based on exceptional financial need.

PLUS

See Federal PLUS Loan Program.

PSAT

The Preliminary Scholastic Assessment Test (PSAT) is a two-hour test given once a year in October. As with the SAT, you receive separate math and verbal scores. In

addition, the test also includes a third score section testing English grammar. Each subject is scored on a scale of 20 to 80 and these scores are combined to create your National Merit Scholarship selection index.

R

Repayment Period

The period which interest accrues on the borrower's loan and principal and interest payments are required. The repayment period excludes any period of authorized deferment or forbearance; however, interest continues to accrue at the borrower's expense for unsubsidized loans during this time.

S

Satisfactory Academic Progress (SAP)

The level of academic progress required of a student by the Higher Education Act in order to receive Federal Stafford, PLUS, or SLS loans. Each school has established a standard for evaluating a student's efforts to achieve an educational goal within a given period of time.

Scholastic Aptitude Test (SAT)

College Board Scholastic Aptitude Test is required by some colleges for admissions

Scholarships

Scholarships, like grants, are a form of financial aid that does not have to be repaid. These are available from many sources including community groups, schools and private corporations. Scholarships can be awarded based on a variety of criteria including scholastic achievement, hobbies and college majors.

Servicer

The organization that services your student loan. Servicing activities include repayment billing, forbearance processing, deferment processing, and collecting on delinquent loans. Some lenders and holders service their own loans. Many others hire companies to do the servicing for them. These companies are called loan servicers. If a lender or holder of a loan uses a servicer, the borrower should send repayment checks, deferment forms, and forbearance requests, along with other correspondence to the loan servicer.

Stafford

See Federal Stafford Loan Program

Student Aid Report (SAR)

A report that is sent to students who complete the paper or electronic FAFSA. The SAR summarizes expected family contribution and other items dealing with financial eligibility.

Subsidized Stafford Loan

See Federal Stafford Loan Program.

Supplemental Loan for Students (SLS)

A federal loan available before July 1, 1994 to independent undergraduate, graduate, and professional students.

T

Treasury Bill

Treasury bills (or T-bills) are marketable securities the U.S. government sells in order to pay off maturing debt and raise the cash needed to run the federal government. They are short-term obligations issued with a term of one year or less. The U.S. Treasury Department sells Treasury bills at auctions held throughout the year. For federal student loans, the variable interest rate is based on the auction rate of the 91-day T-bill auctioned at the final auction prior to June 1 each year.

U, V & W

Unsubsidized Stafford

See Federal Stafford Loan Program

Veteran

For Federal financial aid purposes, such as determining dependency status, a veteran is a former member of the US Armed Forces who served on active duty and was discharged other than dishonorably.

Work-Study

Part of the Federal Student Financial Assistance Program that provides part-time employment for post-secondary students who need income to help meet education costs.