

# Financial Aid in a Nutshell

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## Types of Government Financial Aid:

**Grant:** Grants are **free money** that help pay for your education! You never will have to pay a grant back! This is the most DESIRABLE type of financial aid.

**Loans:** Loans are money either lent from the government or through a private bank to help pay for the cost of college. Loans have to be **paid back**. The government offers the lowest interest loans and is preferable to private loans.

## How to qualify for different types of Financial Aid:

To qualify for Grants and loans including the California Dream Act, students MUST apply for the FAFSA. The FAFSA is open January 1<sup>st</sup> and has a PRIORITY deadline of **March 2<sup>nd</sup>**.

## Understanding Loans:

Subsidized loans are more preferable than unsubsidized loans because the government pays the interest (cost of the loan) for you while you are in school. They end up being much cheaper than unsubsidized loans. **Subsidized=Superior**

The government (through FAFSA) may offer any of the following types of loans. **They are ranked from most desirable (cheapest to borrow) to least desirable (most expensive to borrow).**

1. Perkins (Subsidized)
2. Stafford (Subsidized)
3. Stafford (Unsubsidized)
4. Parent Plus (Unsubsidized)

## **Every senior should fill out a FAFSA**

**FAFSA qualifies you for all types of financial aid. Even if you don't qualify for grants, it is required to borrow money from the government (loans). Loans from the government are cheaper than loans from a bank. Also, many scholarships require filling out the FAFSA.**