

# Financial Aid Fact Sheet

The most common types of financial aid found on college financial aid award letters.

## Grants and Scholarships

Financial aid, often based on financial need, that does not need to be repaid. Often referred to as “free money.”

*Studentaid.gov*

### Federal Pell Grant

A federal grant for undergraduate students with financial need.

*Studentaid.gov*

### Federal Supplemental Educational Opportunity Grant (FSEOG)

A federal grant for undergraduate students with exceptional financial need.

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### Teacher Education Assistance for College and Higher Education (TEACH) Grant

A federal grant that provides up to \$4,000 per year to students who agree to teach for four years at an elementary school, secondary school or educational service agency that serves students from low-income families and to meet other requirements. If the service obligation is not met, the grant is converted to a Direct Unsubsidized Loan.

*Studentaid.gov*

### Massachusetts John and Abigail Adams Scholarship

The John and Abigail Adams Scholarship provides a tuition waiver for up to eight semesters of undergraduate education at a Massachusetts state college or university. The scholarship covers tuition only; fees and room and board are not included. The scholarship must be used within six years of a student’s high school graduation.

*osfa.mass.edu*

*The Commonwealth offers numerous financial aid programs to help students meet the cost of education at Massachusetts public colleges and universities, as well as Massachusetts private colleges. To view all of the programs and requirements offered, visit [osfa.mass.edu](http://osfa.mass.edu).*

### College and University Grants and Scholarships

Colleges and universities provide financial aid from their own funds in the form of grants and scholarships. These funds may be awarded based on financial need or based upon merit or a combination. These monies do not need to be repaid.

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## Self-Help Financial Aid

Financial Aid that is either worked for or borrowed and repaid over time.

### Federal Work-Study

A federal student aid program that provides part-time employment while the student is enrolled in school to help pay for education expenses.

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### Federal Direct Loan

A federal student loan, made through the William D. Ford Federal Direct Loan Program, for which eligible students and parents borrow directly from the U.S. Department of Education at participating schools. Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans and Direct Consolidation Loans are types of Direct Loans.

*Studentaid.gov*

### Subsidized Loan

A loan based on financial need for which the federal government pays the interest that accrues while the borrower is in an in-school, grace or deferment status. For Direct Subsidized Loans first disbursed between July 1, 2012 and July 1, 2014, the borrower will be responsible for paying any interest that accrues during the grace period. If the interest is not paid during the grace period, the interest will be added to the loan's principal balance.

*Studentaid.gov*

### Unsubsidized Loan

A loan for which the borrower is fully responsible for paying the interest regardless of the loan status. Interest on unsubsidized loans accrues from the date of disbursement and continues throughout the life of the loan.

*Studentaid.gov*

### Federal Perkins Loans

A federal student loan, made by the recipient's school, for undergraduate and graduate students who demonstrate financial need.

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### Massachusetts No Interest Loan (NIL)

The Massachusetts No Interest Loan was created to provide eligible, needy Massachusetts residents attending post-secondary educational institutions in Massachusetts with a state-funded loan. The NIL is a zero-interest loan to assist students in meeting educational costs. Students have a period of ten years to repay their No Interest Loans.

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### PLUS Loan

A loan made by the U.S. Department of Education to graduate or professional students and parents of dependent undergraduate students for which the borrower is fully responsible for paying the interest. Recipients must apply separately and be credit approved for this loan. \*The PLUS Loan is not a form of financial aid, as it is a credit-based loan, but it is found on many financial aid award letters.

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