

Decoding Your Financial Aid Award Letter

Your financial aid award may include grants, loans, and work study. Grants and scholarships are “**gift aid**” and do not need to be repaid. Loans and work-study are “**self-help aid**,” funds that need to be earned or repaid. Every institution packages its financial aid award differently. Included here are only sample amounts and options. Your financial aid package might include various combinations of the financial aid listed below, and may include others that aren’t listed here.

	Financial Aid Award	Fall	Spring	Total		
gift aid	1 University Award	\$250	\$250	\$500	A	D
	2 Federal Pell Grant	\$1,583	\$1,582	\$3,165	A	D
	3 State of Maine Grant Program	\$750	\$750	\$1,500	A	D
	4 Federal Supplemental Grant	\$1,200	\$1,200	\$2,400	A	D
self-help aid	5 Federal Work-Study	\$1,000	\$1,000	\$2,000	A	D
	6 Federal Perkins Loan	\$650	\$650	\$1,300	A	D
	7 Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500	A	D
	8 Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000	A	D
	9 Est. PLUS/Alternative Loan	\$3,840	\$3,839	\$7,679	A	D
	Total Financial Aid Award	\$12,023	\$12,021	\$24,044		

You may have to accept or decline each award.

- 1** You won’t need to repay awards, grants, or scholarships from your school. Before you accept this aid, make sure you clearly understand whether this money is renewable from year-to-year or will only be awarded to you during your first year.
- 2** This grant is based on financial need, cost of attendance, and student enrollment status; the amount can change yearly.
- 3** This is a need-based grant awarded to eligible undergraduate students at Maine schools.
- 4** Some schools offer this grant to eligible students based on financial need.
- 5** You are responsible for finding and applying for an eligible job and working the hours required to earn the awarded amount. You will typically be paid bi-weekly based on the number of hours worked.
- 6** This loan is available at some schools for students with financial need. Interest begins accruing 9 months after graduation.
- 7** The federal government pays interest on this loan while you are in school and for 6 months after you graduate. These loans are in your name.
- 8** Interest for unsubsidized loans begins accruing immediately. You’ll have to pay an origination fee.
- 9** This is a federal loan for parents and graduate/professional students. They can borrow any amount up to the cost of attendance minus financial aid, and repayment options vary. Applicants must have their credit approved to receive this loan. There is a loan fee which is a percentage of the total loan amount.
The inclusion of PLUS/Alternative loans in a financial aid award package is misleading. These options should be considered as ways to bridge the gap between financial aid and the cost of education, and should be explored along with state or private loan options, school payment plans, or part-time work.

Estimated Cost of Attendance (COA)

Budget Category	Amount	
Tuition and Fees	\$10,610	Direct costs: you will be billed for them by your school.
Room and Board	\$10,164	
Books and Supplies	\$1,000	Indirect costs: you will pay for them out of your own pocket. They tend to vary little from college to college.
Travel, Personal and Miscellaneous	\$2,200	
Loan Fees	\$70	Origination fees: you will pay for these when you take out your loan.
Total Estimated Cost	\$24,044	

Comparing Your Awards

Use this worksheet to compare your financial aid awards from various institutions. This worksheet represents the cost of attendance for one year. Your financial aid package may vary from year to year.

	Example	School Name	School Name	School Name
Tuition & Mandatory Fees	\$ 10,610	\$	\$	\$
Room & Board	+ \$ 10,164	+	+	+
DIRECT COSTS <i>(billed by school)</i>	= \$ 20,774	=	=	=
Books & Supplies*	+ \$ 1,000	+	+	+
Travel & Miscellaneous*	+ \$ 2,200	+	+	+
Loan Fees*	+ \$ 70			
ALL COSTS <i>(including unbilled expenses)</i>	= \$ 24,044	=	=	=
State and Federal Grants, Scholarships, and Awards	- \$ 7,065	-	-	-
School-awarded Grants, Scholarships, and Awards	- \$ 500	-	-	-
Outside Gift Aid + Money	- \$ 1000			
COSTS LESS GIFT AID+OTHER	= \$ 15,479	=	=	=
Work Study Offered	- \$ 2,000	-	-	-
COSTS BEFORE LOANS	= \$ 13,479	=	=	=
Perkins Loan	(\$ 1,300)	()	()	()
Direct Subsidized Loan	(+ \$ 3,500)	(+)	(+)	(+)
Direct Unsubsidized Loan	(+ \$ 2,000)	(+)	(+)	(+)
TOTAL FEDERAL LOANS	- \$ 6,800	-	-	-
COSTS AFTER FEDERAL LOANS	= \$ 7,679	=	=	=
ESTIMATED TOTAL COST <i>(out-of-pocket cost)</i>	\$ 6,679			

If your estimated total cost is more than what you can pay, consider non-federal loan options including PLUS/Alternative loans, state loans, and private loans. If your institution offers you competitive institutional loans, subtract those from your total with federal loans. Please keep in mind that the loan amounts do not include interest that will accrue in the future.

* These costs are generally similar from college to college.