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# 2014

## Getting Uncle Sam to Pay for Your College Degree

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# 2014 Getting Uncle Sam to Pay for Your College Degree

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## Introduction

*If you think college is expensive, try ignorance. A college education could be worth a million dollars to you in income alone. One million dollars is the difference in average lifetime earnings between those who obtain a college degree and those who don't. Throw away your chance at a college education, and you are virtually throwing away a million dollars!*

But what you learn in college is worth more than just money. In college, you not only learn how to conduct independent research, you also begin to acquire the understanding and cultural acquisitions which are the hallmark of an educated person. You learn how to get more out of life. You also form lifetime friendships, and valuable connections that will enhance your life and career.

Of course, college is not the only place you learn about life. There is much to be said for the experience gained in the “school of hard knocks”. Ultimately, experience is the only teacher. But in college, you learn how to learn from the experience of others; this is the beginning of the wisdom you have earned the right to acquire.

As a member of the military community, you have access to enormous educational benefits. Hundreds of millions of dollars are available in scholarship money. The Scholarship Finder is a site that lists over 1,000 scholarships from a variety of sources. For more information visit: <http://www.military.com/scholarship/search-for-scholarships.do>

Use the education benefits you've earned through your service! A nation who is grateful for your service wants you to take full advantage of these opportunities. This unique guide shows you how. It gives you the information you need to move forward with your educational goals – and will be your trusted reference guide as you make decisions that will benefit you and your family, building a better future for you and our nation. Here you will learn about the many opportunities to finance your education, both from the U.S. government and other institutions. We'll explain just how the scholarship game is played, share secrets of those who win it big in this game, guide you to invaluable scholarship resources, warn you of scams and pitfalls to watch out for, explain how to put your education on the fast track, and – most important – show you how to create your own winning game plan and put it into action.

We wish you the best of luck.

– *The Military Handbooks Staff*

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## An Overview of Educational Benefits

There are many resources available to Americans who yearn for higher education and the better life it brings. One of the most important was a product of war. On June 22, 1944, President Franklin Delano Roosevelt signed into law one of the most significant pieces of legislation ever produced by the United States government: The Servicemembers' Readjustment Act of 1944, commonly known as the GI Bill of Rights. By the time the original GI Bill ended in July 1956, 7.8 million World War II veterans had participated in an education or training program and 2.4 million veterans had home loans backed by VA. Today, the legacy of the original GI Bill lives on in the Montgomery GI Bill.

For over six decades, the law has made possible the investment of billions of dollars in education and training for millions of veterans, and the nation has in return earned many times the investment through greater earnings from taxes and a dramatically enhanced society. If anyone ever doubted that education is the best investment, this great social experiment established the principle beyond question.

The law also made possible the loan of billions of dollars to purchase homes for millions of veterans, and helped to transform the majority of Americans from renters to homeowners, not only increasing the wealth of individuals but providing a solid foundation for a secure and stable society.

The Veterans Administration (VA) was responsible for carrying out the law's key provisions: education and training, loan guaranty for homes, farms or businesses, and unemployment pay. Today, the VA continues to administer modern equivalents of these services for our nation's veterans. These same veterans are also eligible for a huge pool of other scholarships. To know how to pursue these opportunities requires understanding in what could be called the "scholarship game". There is a great deal of misunderstanding about how this game is played. In the next chapter, we'll begin by examining some common misconceptions.

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## Scholarship Myth Busting

More often than not, what everyone “knows” about the scholarship game is false. To give yourself the best chance of winning the scholarship game, it’s crucial to have a clear picture of how it is played. A misunderstanding of the realities of financing higher education keeps many people from the success they deserve. In particular, the following five myths are problematic:

### **Myth #1 - It’s hard to get free money for college.**

The truth is that just about anyone can get free money to go to college. All it takes is three things. First, educate yourself about the process. Learn how the game is played. Second, complete the applications properly. Third, follow up. So the main rule in the free college money game is simply: Apply! It costs you nothing except some postage and some hours of work. So long as you meet the basic requirements, apply for as many grants and scholarships as you can possibly handle.

To cash in, you need to know how the system works. You need to know who gives the money away, why they do it, and what they want in return. Then start doing the research, identify and prioritize the best scholarships for you, do a good job on as many applications as you can manage, and send them out. It might not be quite as easy as buying lottery tickets, but your chances are much better and you don't have to pay for a ticket!

### **Myth #2 - Only brainiacs with 4.0 grades win merit scholarships.**

You don’t have to be Einstein to win lucrative merit scholarships. They go to all kinds of students. Some of the biggest awards go to students who dedicate themselves to such activities as music, drama, community service, graphic and web design, science, speech, leadership, and photography. If you have a passion for a topic, the chances are excellent that financial help is available to help you master it.

The good news is that many of these awards are grade neutral. They don’t even consider your grades in making the grant. Plus, many of those that consider GPAs use them only as a preliminary filter. So, as long as you have the minimum GPA – often as low as 2.5 – you’ve cleared the main hurdle and have as good a chance as a 4.0 student to win the scholarship.

Even programs that use GPA as a criterion consider other factors as well. In fact, some programs are famous for choosing students who lack top grades.

### **Myth #3 - Only those with a low-income status get financial help for college.**

This error comes from confusing “need based” and “merit based” scholarships, not to mention failing to understand how the financial aid process works. Merit scholarships ignore financial need entirely. Your last name could be Rockefeller and you’d still qualify for a merit scholarship. And you don’t have to be brilliant to win a merit scholarship. They are awarded on the basis of talents, interest, achievements, activities, skills, and personal characteristics.

Beyond this, need based scholarships are not just for people living in low-income areas. College is so expensive today that millions of middle income families qualify for financial help. Another plus: the better, more expensive schools are more generous with financial aid. So, don’t be shy about applying to the most costly schools. If they want you, they won’t let your lack of money keep you out.



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**Myth #4 - Scholarships are only awarded to jocks and minorities.**

While it can be true that having blond hair and blue eyes disqualifies you for certain scholarships, there are many awards that do not take into account your heritage. If you are a top-notch athlete, there is certainly a much larger pool of educational dollars available to you. But there is also a wide variety of scholarships available to non-athletes and those who aren't considered to be a minority. Scholarship donors try to encourage many different kinds of students from burger flippers to surfers, left-handed people to movie-makers. No matter what your background or skills, there is a scholarship for you.

**Myth #5 - It's all over when you're graduated from high school.**

Just because you did not accumulate a stunning academic record in high school doesn't mean you're not going to find financial help for school. No matter how far along you are in your educational journey, there are scholarships available to you. And once you actually get into college, there's a literal bonanza of opportunities. And remember, it's never too late to learn. Few scholarship programs have age requirements.

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## A Winning Game Plan

There are billions of dollars in scholarships for all kinds of students. No matter what your age, background, GPA, financial situation, or race, with a solid step-by-step game plan you can win big money to pay for the college of your dreams. Students who are showered with thousands of dollars in scholarships aren't necessarily smarter or luckier; they didn't just stumble over a pot of gold. In this area especially, you make your own luck. You need to do what is necessary to get lucky. Mainly identify scholarship opportunities and go after them aggressively.

### Kinds of Scholarships

You need to know the differences between the types of sources of funding available for most college students. The three general types of scholarships are individual, state and loans.

#### Individual

While searching for the right college, ask admissions officers about scholarship prospects. Every school has different rules. Find out what scholarships are available, what you have to do to be considered and when the application deadline is. Schools are increasingly offering scholarships for reasons beyond academics and athletics, some for very specific kinds of students. Some of this information will be available on the school's Web page.

Make friends at the financial aid office. Usually, financial aid officers know a lot more about what scholarships are available than the admissions people. The particular academic department you're entering is another good source. Faculty members are likely to know about scholarships intended for their particular major and often have contacts outside the college. Some departments even have their own scholarships.

#### State Scholarships

Assistance beyond the usual tuition help is often available from state education agencies. Many students overlook these. Contact your state's higher education agency to find opportunities. To get started, do an online search of, e.g., "Connecticut Department of Education."

#### Loans

Not all loans need to be paid back. In some fields where there's a shortage of qualified professionals, you'll find forgivable loans. Under some conditions, you don't have to pay back the loan, plus these come with a guaranteed job after graduation. Offered by both government agencies and private employers, forgivable loans typically need not be paid back if the student agrees to work for the organization a certain amount of time.

Assuming you have the determination and motivation to carry it out, the first thing you need is a game plan. The first thing to understand is that this is a numbers game. Here is a math problem for you. If you submit fifty scholarship applications, you are how many times more likely to win a scholarship than if you submit just one application? If the tickets are free, would you rather have fifty lottery tickets or one? Put the numbers to work for you.

Here is the good news. It is not fifty times harder to submit fifty applications than it is to submit one. They're all pretty much alike. Once you've done all the work to get the information together for a single application, it's not hard to do another. And the centerpiece of your application – the thing that makes the big difference and is hardest to do: the scholarship essay – is a piece of cake to adapt for additional applications. You only need to write it once, and then change its focus as needed for different schools and institutions.

### The Scholarship Essay

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One of the most important tools in searching for funds is the scholarship essay. You can't change who you are, but you can make your application something that shows you are more than just one of many.

Taking time to reflect on what you'll say in the application essay can show that you're not just following the pack. Examine the purposely vague essay questions and use them as a vehicle to cover various facets of your life including hobbies, personal experiences, leadership roles, and favorite activities.

Coming across as genuine in essays is vital. And officials agree that the main reason applicants get rejected is because the application is based on what they perceive admissions people want to hear instead of being truly authentic. Many people think schools are most concerned about the prettiness of the essays, but nothing could be further from the truth. It's not an essay writing contest; it's a personality revelation process.

### **Mixing Up the Essay**

Those inside admissions offices at top schools acknowledge that while potential students are all held to the highest standards, applications are looked at on an individual basis. This gives each school an opportunity to assemble a diverse entering class. This means more wiggle room for those without perfect academic records.

To demonstrate individuality, write the essay out of chronological order by skipping the traditional introduction and get right into a unique story which veers away from an alltoofamiliar background. You might focus on your experience in the military and how you would bring armed forces leadership skills to the school.

While high scores speak for themselves, the rest of an application should convey who you are and what you'll be like as a student. It's not all about grades and scores; it's important to show what you'll bring to the community.

### **The Scholarship Application**

Here are some suggestions that can make a big difference in the results your application gets:

1. **Pay Attention to Details.** Most applications ask for your name, address, date of birth, and expected graduation date. Be careful - omitting information can cost you. For example, some applications ask students under 18 to have a parent or guardian sign the form. Applicants who ignore that will have a mark against them from the start.
2. **Be Concise, but Creative.** Judges will be impressed by *what* you write - not how *much* you write. Try to emphasize what makes you different from everybody else, and let your personality show through so judges can feel connected to you.
3. **Have Some Selfrespect.** When explaining how you overcame a hardship, don't milk your difficulties. The judge should admire you and your achievements - not squirm in her seat as if she's passing a car wreck!
4. **Be Humble.** When reporting accomplishments, don't be cocky. Try to convey your dedication and skill, but also maintain modesty. Watch for a bragging tone.
5. **Do the Math.** If an application asks for your family's income or college expenses, make sure those financial numbers are correct and add them up.
6. **Choose Your Recommendations Wisely.** Often, it's hard to pick scholarship winners from a pool of so many excellent entries. Outstanding letters of recommendations may make the difference. Help those writing these letters do the best job possible. Give them a summary of your achievements, goals, and all the scholarship information.
7. **Don't Miss the Deadline.** After you work hard putting together the best application possible, make sure it gets read.
8. **Keep it Simple.** Do you choose big words when little ones will do? Do you prefer many words when a few will suffice? It's a mistake. Some writers think big words sound sophisticated. Others think blank space on a page implies insufficient thought. Still, others strive for the thud factor, thinking that writing more makes their answer better instead of just longer. Write lean and mean.

The key to finding the money to reach your educational goals is to study. Seek and you shall find. If you are really motivated and willing to put some energy into research, you'll uncover many sources of aid. Everything you need to

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know to find the money you need for school is easily available online or in books that will cost you little or nothing to use. If some company tells you to pay them to research the same data bases you can explore on your own, hang onto your wallet or purse and run. Forget their glittering promises. These companies cannot give you any information you could not find on your own. All you need is determination, a good game plan, and the motivation to put that plan into action.

### Searching for Scholarships

Just remember that it's a numbers game. The money is not going to fall out of the sky; you have to go after it. You want to make sure to apply for a huge number of scholarships instead of just a few; construct one essay and adapt it slightly for several scholarship essays.

Do NOT pay for an online scholarship service. Go to a good online scholarship search engine, such as Fastweb or CollegeNET - Mach 25, which are 100 percent free. Fastweb is especially good, because it features articles that contain a great deal of excellent advice. Fastweb can be found at: <http://www.fastweb.com/> and CollegeNET can be found at: <http://www.collegenet.com/mach25/app>.

Don't forget to fill out the Free Application for Federal Student Aid (FAFSA) every year. The FAFSA is the gateway to the largest pool of educational benefits. To apply, go to <http://www.fafsa.ed.gov/>. They have recently simplified the process of filing this application. Just be sure to fill out all the information asked for or they will send your application back to you and delay your financial aid.

### A Winning Application Strategy

Start early! The best single piece of advice we can give you is to begin your search early. Many programs have deadlines nearly a year before the beginning of the school year. So, to give yourself the best shot at maximizing your results, start two years - or an absolute minimum of at least a year and a half - before the school year you want to enter. It's impossible to start too early and easy to start too late. Here is a good timetable for success:

### Scholarship Timetable

- **18-24 months** before you need the money - Start searching for sources. Begin writing the first draft of your scholarship essay.
- **12-18 months** before you need the money – Write and submit your applications, finish your basic scholarship essay, adapt the essay to particular institutions, and follow up as needed.
- **6-9 months** before - Follow up with organizations that hasn't given you a decision (if deadline is past).
- **Summer** before school starts - Inform the financial aid office about any scholarships you have been granted. Ask what impact this will have on earlier scholarships.
- **30 days** before school starts - Write thank you notes.
- **Fall** - Start over again to find new and renew existing grants.

## U.S. Government Education Benefits

### Montgomery GI Bill – Active Duty

Happily, the process for applying for educational benefits from Uncle Sam requires considerably less dedicated effort than searching for a scholarship or grant. The basic educational benefit is provided by the Montgomery GI Bill. The Montgomery GI Bill - Active Duty, called the "MGIB" for short, provides up to 36 months of education benefits to eligible veterans for:

- College
- Technical or Vocational Courses
- Correspondence Courses
- Apprenticeship/Job Training
- Flight Training
- High-tech Training
- Licensing & Certification Tests
- Entrepreneurship Training
- Certain Entrance Examinations

You can now search for approved programs of education on the VA website. You can search for approved programs at colleges, non-college degree granting institutions, licensing & certification granting providers, and national testing providers. To begin your search, visit [http://gibill.va.gov/resources/education\\_resources/choosing\\_a\\_school.html](http://gibill.va.gov/resources/education_resources/choosing_a_school.html)

### Eligibility

You may be an eligible veteran if you have an Honorable Discharge, AND you have a High School Diploma or GED or in some cases 12 hours of college credit, AND you meet the requirements of one of the four categories described below.

#### CATEGORY I

- Entered active duty for the first time after June 30, 1985
- Had military pay reduced by \$100 a month for first 12 months
- Continuously served for 3 years, *OR* 2 years if that is what you first enlisted for, *OR* 2 years if you entered the Selected Reserve within a year of leaving active duty and served 4 years ("2 by 4" Program)

#### CATEGORY II

- Entered active duty before January 1, 1977
- Served at least 1 day between 10/19/84 and 6/30/85, and stayed on active duty through 6/30/88, (or 6/30/87 if you entered the Selected Reserve within 1 year of leaving active duty and served 4 years)
- On 12/31/89, you had entitlement left from Vietnam-Era GI Bill

#### CATEGORY III

- Not eligible for *MGIB* under Category I or II
- On active duty on 9/30/90 *AND* separated involuntarily after 2/2/91, *OR* involuntarily separated on or after 11/30/93,
- *OR* voluntarily separated under either the Voluntary Separation Incentive (VSI) or Special Separation Benefit (SSB) program
- Before separation, you had military pay reduced by \$1200

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## CATEGORY IV

- On active duty on 10/9/96 *AND* you had money remaining in a VEAP account on that date *AND* you elected MGIB by 10/9/97
- *OR* entered full-time National Guard duty under title 32, USC, between 7/1/85, and 11/28/89 *AND* you elected MGIB during the period 10/9/96, through 7/8/97
- Had military pay reduced by \$100 a month for 12 months or made a \$1200 lump-sum contribution

### Benefits Paid

The monthly benefit paid to you is based on the type of training you take, length of your service, your category, and if DOD put extra money in your *MGIB* Fund (called "kickers"). You usually have 10 years to use your *MGIB* benefits, but the time limit can be less, in some cases, and longer under certain circumstances.

The table below shows the benefits payable effective October 1, 2011. These are the Educational Assistance Allowances for trainees under the Montgomery GI Bill - Active Duty (Ch. 30 of title 38 U.S.C.).

For trainees on active duty, payment is limited to reimbursement of tuition and fees for the training taken.

### Training Rates

The following rates apply to those completing an enlistment of three years or more. Effective October 1, 2013; VERIFIED on 10/5/2013.

<b>Institutional Training</b>	
<b>Training Time</b>	<b>Monthly rate</b>
Full time	\$1,648.00
3/4 time	\$1,236.75
1/2 time	\$824.50
less than 1/2 time more than 1/4 time	\$824.00**
1/4 time or less	\$412.00 **

Correspondence and Flight - Entitlement charged at the rate of one month for each \$1,648.00 paid.

Cooperative - \$1,648.00

\*\* Tuition and Fees ONLY. Payment cannot exceed the listed amount.

The following rates apply to those completing an enlistment of less than three years. UPDATED October 1, 2013

<b>Institutional Training</b>	
<b>Training Time</b>	<b>Monthly rate</b>
Full time	\$1,339.00
3/4 time	\$1,004.25
1/2 time	\$669.50
less than 1/2 time more than 1/4 time	\$669.50 **
1/4 time or less	\$334.75 **

\*\* Tuition and Fees ONLY. Payment cannot exceed the listed amount.

For more information on benefit rates, visit: [http://www.gibill.va.gov/resources/benefits\\_resources/rates/CH30/ch30rates100113.htm](http://www.gibill.va.gov/resources/benefits_resources/rates/CH30/ch30rates100113.htm)

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## How to Apply

You can apply by filling out VA Form 22-1990, Application for Education Benefits. You can download a copy of this form in PDF format at <http://www.vba.va.gov/pubs/forms/vba-22-1990-are.pdf>.

More Information:

Call toll free 1-888-GI-BILL-1

## Montgomery GI Bill - Selected Reserve

### Benefit Description

The Montgomery GI Bill - Selected Reserve program may be available to you if you are a member of the Selected Reserve. The Selected Reserve includes the Army Reserve, Navy Reserve, Air Force Reserve, Marine Corps Reserve, Coast Guard Reserve, the Army National Guard, and the Air National Guard.

You may use this education assistance program for degree programs, certificate or correspondence courses, cooperative training, independent study programs, apprenticeship/on-the-job training, and vocational flight training programs. Remedial, refresher and deficiency training are available under certain circumstances.

Eligibility for this program is determined by the Selected Reserve components. VA makes the payments for this program.

You may be entitled to receive up to 36 months of education benefits.

Your eligibility for the program normally ends on the day you leave the Selected Reserve.

One exception to this rule exists if you are mobilized or recalled to active duty from your reserve status; in this case, your eligibility may be extended for the amount of time you are mobilized PLUS four months. For example, if you are mobilized for 12 months, your eligibility period is extended for 16 months (12 months active duty PLUS 4 months). So even if you leave the reserves after mobilization, you may have additional eligibility to the MGIB-SR.

If your unit is deactivated during the period beginning on October 1, 2007 through September 30, 2014 or you are involuntarily separated (for reasons other than misconduct) you will retain your original period of eligibility which is 14 years from the date of your first 6 year obligation with the selected reserves.

### Eligibility

To qualify, you must meet the following requirements:

- Have a six-year obligation to serve in the Selected Reserve signed after June 30, 1985. If you are an officer, you must have agreed to serve six years in addition to your original obligation. For some types of training, it is necessary to have a six-year commitment that begins after September 30, 1990;
- Complete your initial active duty for training (IADT);
- Meet the requirement to receive a high school diploma or equivalency certificate before completing IADT. You may not use 12 hours toward a college degree to meet this requirement;
- Remain in good standing while serving in an active Selected Reserve unit. You will also retain MGIB - SR eligibility if you were discharged from Selected Reserve service due to a disability that was not caused by misconduct. Your eligibility period may be extended if you are ordered to active duty.

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## How to Apply

Your unit will give you DD Form 2384-1, Notice of Basic Eligibility, when you become eligible for the program. Your unit will also code your eligibility into the Department of Defense personnel system so that VA may verify your eligibility.

You should then make sure that your selected program is approved for VA training. If you are not clear on this point, VA will inform you and the school or company about the requirements.

Obtain and complete [VA Form 22-1990](#), Application for Education Benefits. Send it to the VA regional office with jurisdiction over the State where you will train.

If you have started training, take your application and your Notice of Basic Eligibility to your school or employer. Ask them to complete VA Form 22-1999, Enrollment Certification, and send all the forms to VA.

You can also apply online. For an electronic application form that may be completed and submitted online, visit: <http://vabenefits.vba.va.gov/vonapp/main.asp>.

## Reserve Educational Assistance Program (REAP)

REAP was established as a part of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005. It is a Department of Defense education benefit program designed to provide educational assistance to members of the Reserve components called or ordered to active duty in response to a war or national emergency (contingency operation) as declared by the President or Congress. The Department of Defense and the Department of Homeland Security will determine who is eligible for this program. The Department of Veterans Affairs will administer the program and pay benefits from funds contributed by DOD.

### Qualifications for REAP

The Secretaries of each military service, Department of Defense, and Department of Homeland Security (Coast Guard) will determine eligibility and establish the program to provide educational assistance to members of the Reserves of the armed forces who are called to duty for 90 days or more. Members may be eligible after serving 90 consecutive days on active duty after September 11, 2001.

### REAP monthly payments

The benefit payable under REAP is shown in the table below and verified on 10-06-13.

Training Time	Consecutive service of 90 days but less than one year	Consecutive service of 1 year +	Consecutive service of 2 years +
Full time	\$659.60	\$988.80	\$1,318.40
3/4 time	\$494.40	\$741.60	\$988.80
1/2 time	\$329.60	\$494.40	\$659.20
Less than 1/2 time More than 1/4 time	\$329.60**	\$494.40**	\$659.20**
1/4 time or less	\$164.80**	\$247.20**	\$329.60**

\*\* Tuition and Fees ONLY. Payment cannot exceed the listed amount.

**IMPORTANT:** Members on active duty are only entitled to be reimbursed for the actual cost of the tuition and fees of the courses taken (not to exceed the statutory rate). Note: This benefit is retroactive to September 11, 2001. A reservist attending school will be paid a percentage of the MGIB three-year rate in effect during the time in which he/she was enrolled. For example: The three-year full time MGIB rate in June of 2002 was \$800. Someone being paid the 40% rate for school enrollment in June 2002 would receive \$320 for full time monthly benefits.



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## **Amount of entitlement under REAP**

You will receive 36 months of full time entitlement at your given rate. A REAP participant may not use more than 48 months of entitlement under any combination of VA Educational programs.

For example, if you've already used 20 months of Chapter 1606, you will only receive 28 months of REAP.

## **Length of benefits under REAP**

You may use your benefits under REAP as long as you remain within your component. Benefits must be terminated if you leave the Reserves or participate in a ROTC program under Title 10 Section 2107.

## **Members released for disability**

Members released early for disability, incurred or aggravated in the line of duty are eligible to receive REAP benefits at the rate they were qualified for when they were released. For example, if a claimant served on active duty for one year and 6 months prior to being released, he or she would be entitled to receive benefits at the 60% rate for as long as they're entitled to REAP benefits. Members released prior to completing 90 days of active duty service would be entitled to benefits at the 40% rate. If you are released for disability, you are entitled to REAP benefits for 10 years from your date of eligibility

## **REAP benefits concurrently with another MGIB benefit**

You cannot receive assistance under more than one VA Education program at one time. If you are eligible for MGIB-Active Duty (chapter 30) because you served on duty for a minimum of 24 consecutive months, you must make an irrevocable election as to which program you will apply your time on active duty. If you are eligible for a Chapter 1606 kicker, you can still be paid that kicker while receiving REAP

## **Education programs are approved under REAP**

All education programs, with the exception of National Examination / Testing Reimbursement are payable under REAP.

## **When to apply for REAP**

VA Regional Processing Offices in Atlanta, St. Louis, Buffalo, and Muskogee are accepting applications and supporting documents for REAP claims. You can also apply online at <http://www.gibill.va.gov/apply-for-benefits/application/>.

If you have never applied for benefits before, complete VA Form 1990 and write "REAP" in section one. If you are already eligible for VA Education benefits under another program, submit VA Form 1995 and notate that you now wish to use REAP. Submit copies of all DD 214s and copies of all orders for the period(s) you will use to claim eligibility.

## **Benefits and election date chosen**

Veterans eligible for REAP will most likely also be eligible for Chapter 1606. The REAP program pays a bit more than Chapter 1606. You must weigh the benefits of retroactively electing REAP with the benefits of using it for future training.

Example A - Bob is eligible for Chapter 1606 and REAP. He used 4 months of entitlement under Chapter 1606 in the spring of 2002. Bob could request retroactive payment under REAP for that period based on his active duty period in 2001. The full time rate under REAP for that period would be \$320.00/ month. For Chapter 1606, the full time rate was \$272.00. Bob already received \$1088.00 in Chapter 1606 benefits. Under REAP he would receive \$1, 280.00. If Bob retroactively chooses REAP, he will receive an additional \$192.00 for the difference between the two programs. Is it more advantageous for Bob to take the extra \$192.00 for REAP, or to elect REAP from the current date forward? If

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Bob takes the retroactive benefit amount, he now has 32 months of REAP to use for any future school enrollment. If Bob doesn't request retroactive benefits, he now has 36 months of benefits at 40% of the current MGIB three-year rate (\$401.60 for fiscal year 2005). Bob must determine what he has used in the past, how much schooling he needs to complete in the future, and determine which option will be most advantageous to him in the long run. In Bob's situation, it might be more advantageous for him not to retroactively elect REAP benefits.

Example B - Susie is eligible for Chapter 1606 and would be eligible for REAP based on active duty served in 2001-2002. She has been in school full time continuously since she returned from active duty. To date, she has used 31 months of Chapter 1606 benefits. For someone in Susie's situation, she might benefit more from retroactively selecting REAP benefits. She would receive the difference between the two programs, and would still have 17 months of full time REAP benefits remaining.

## **Veterans Educational Assistance Program (VEAP)**

### **Benefit Description**

VEAP is available if you elected to make contributions from your military pay to participate in this education benefit program. Your contributions are matched on a \$2 for \$1 basis by the Government. You may use these benefits for degree, certificate, correspondence, apprenticeship/on-the-job training programs, and vocational flight training programs. In certain circumstances, remedial, deficiency, and refresher training may also be available.

Benefit entitlement is 1 to 36 months depending on the number of monthly contributions. You have 10 years from your release from active duty to use VEAP benefits. If there is entitlement not used after the 10-year period, your portion remaining in the fund will be automatically refunded.

### **Eligibility**

To qualify, you must meet the following requirements:

- Entered service for the first time between January 1, 1977, and June 30, 1985;
- Opened a contribution account before April 1, 1987;
- Voluntarily contributed from \$25 to \$2700;
- Completed your first period of service; and
- Were discharged or released from service under conditions other than dishonorable.

If you are currently on active duty and wish to receive VEAP benefits, you must have at least 3 months of contributions available.

Contributions may be withdrawn if you do not meet the basic eligibility requirements or if you formally request a refund of the contributions withheld.

### **How to Apply**

You should make sure that your selected program is approved for VA training. If you are not clear on this point, VA will inform you and the school or company about the requirements. You can now search for approved programs of education on the VA Web site. You can search for approved programs at colleges, non-college degree granting institutions, licensing & certification granting providers, and national testing providers. To begin your search, visit [http://gibill.va.gov/resources/education\\_resources/choosing\\_a\\_school.html](http://gibill.va.gov/resources/education_resources/choosing_a_school.html).

Obtain and complete VA Form 22-1990, Application for Education Benefits. Send it to the VA regional office with jurisdiction over the State where you will train. If you are not on active duty, send copy 4 (Member Copy) of your DD Form 214, Certificate of Release or Discharge from Active Duty. If you are on active duty, you must have your enrollment approved by your base Education Services Officer, and you must have your service verified by your Commanding Officer.

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If you have started training, take your application and Member Copy of DD Form 214 to your school or employer. Ask them to complete VA Form 22-1999, Enrollment Certification, and send all the forms to VA. If you wish to withdraw your contributions from VEAP, obtain and complete VA Form 24-5281, Application for Refund of Educational Contributions, and send it to your nearest VA regional office.

Beginning August 1, 2011, break (or interval pay) will no longer be payable under VEAP except during periods your school is closed as a result of an Executive Order of the President or an emergency (such as a natural disaster or strike). For example, if your Fall term ends on December 15th and your Spring term begins January 10th, your January housing allowance will cover 15 days in December and your February housing allowance will cover 21 days in January.

Additional information is available by contacting your local VA Regional Office toll-free, 1-888-442-4551.

### **Educational Assistance Test Program (Section 901 of Public Law 96-342)**

Section 901 is an Educational Assistance Test Program created by the Department of Defense Authorization Act of 1981 (Public Law 96-342) to encourage enlistment and reenlistment in the Armed Forces. Benefits are available to individuals who entered on active duty after September 30, 1980, and before October 1, 1981 (or before October 1, 1982, if entry was under a delayed enlistment contract signed between September 30, 1980, and October 1, 1981).

#### **Air Force Eligibility Requirements for Section 901**

All three of the following criteria must have been met to establish eligibility for this benefit.

- Must have enlisted between December 1, 1980 and September 30, 1981.
- Enlistment must have been in one of the following Air Force Specialties: 20723, 20731, 20830, 46130, 46230A, B, C, D, E, F, G, H, J, or Z, 46430, 81130
- Enlistment must have taken place at one of the following locations: Beckley, WV; Buffalo, NY; Dallas, TX; Fargo, ND; Houston, TX; Jackson, MS; Louisville, KY; Memphis, TN; Omaha, NE; Philadelphia, PA; Seattle, WA; Sioux Falls, SD; Syracuse, NY

### **Survivors' and Dependents' Educational Assistance Program (DEA)**

#### **Summary of Benefits**

Dependents' Educational Assistance provides education and training opportunities to eligible dependents of certain veterans. The program offers up to 45 months of education benefits. Effective October 1, 2013 some DEA beneficiaries may be eligible for 81 months of GI Bill benefits if they are eligible for more than one education benefit. For more information visit: [https://gibill.custhelp.com/app/answers/detail/a\\_id/1479](https://gibill.custhelp.com/app/answers/detail/a_id/1479).

These benefits may be used for degree and certificate programs, apprenticeship, and on-the-job training. If you are a spouse, you may take a correspondence course. Remedial, deficiency, and refresher courses may be approved under certain circumstances.

#### **Eligibility**

You must be the son, daughter, or spouse of:

- A veteran who died or is permanently and totally disabled as the result of a service-connected disability. The disability must arise out of active service in the Armed Forces.
- A veteran who died from any cause while such service-connected disability was in existence.
- A service member missing in action or captured in line of duty by a hostile force.
- A service member forcibly detained or interned in line of duty by a foreign government or power.
- A service member who is hospitalized or receiving outpatient treatment for a service connected permanent and total disability and is likely to be discharged for that disability. This change is effective December 23, 2006.

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## Period of Eligibility

If you are a son or daughter and wish to receive benefits for attending school or job training, you must be between the ages of 18 and 26. In certain instances, it is possible to begin before age 18 and to continue after age 26. Marriage is not a bar to this benefit. If you are in the Armed Forces, you may not receive this benefit while on active duty. To pursue training after military service, your discharge must not be under dishonorable conditions. VA can extend your period of eligibility by the number of months and days equal to the time spent on active duty. This extension cannot generally go beyond your 31st birthday; however, there are some exceptions.

If you are a spouse, benefits end 10 years from the date VA finds you eligible or from the date of death of the veteran. For surviving spouses (spouses of service members who died on active duty) benefits end 20 years from the date of death. If the VA rated the veteran permanently and totally disabled with an effective date of 3 years from discharge a spouse will remain eligible for 20 years from the effective date of the rating. This change is effective October 10, 2008 and no benefits may be paid for any training taken prior to that date.

For surviving spouses (spouses of service members who died on active duty) benefits end 20 years from the date of death.

## How to Apply

You should make sure that your selected program is approved for VA training. If you are not clear on this point, VA will inform you and the school or company about the requirements.

Obtain and complete VA Form 22-5490, Dependents' Application for VA Education Benefits. Send it to the VA regional office with jurisdiction over the State where you will train. If you are a son or daughter, under legal age, a parent or guardian must sign the application.

If you have started training, take your application to your school or employer. Ask them to complete VA Form 22-1999, Enrollment Certification, and send both forms to VA.

Section 301 of Public Law 109-461 adds a new category to the definition of "eligible person" for DEA benefits. The new category includes the spouse or child of a person who:

VA determines has a service-connected permanent and total disability; and at the time of VA's determination is a member of the Armed Forces who is hospitalized or receiving outpatient medical care, services, or treatment; and is likely to be discharged or released from service for this service-connected disability.

Persons eligible under this new provision may be eligible for DEA benefits effective December 23, 2006, the effective date of the law.

DEA provides education and training opportunities to eligible dependents of veterans who are permanently and totally disabled due to a service-related condition, or who died while on active duty or as a result of a service related condition. The program offers up to 45 months of education benefits. These benefits may be used for degree and certificate programs, apprenticeship, and on-the-job training. If you are a spouse, you may take a correspondence course. Remedial, deficiency, and refresher courses may be approved under certain circumstances.

**Special Restorative Training** is available to persons eligible for DEA benefits. The Department of Veterans Affairs may prescribe special restorative training where needed to overcome or lessen the effects of a physical or mental disability for the purpose of enabling an eligible person to pursue a program of education, special vocational program or other appropriate goal. Medical care and treatment or psychiatric treatment is not included. Contact your local VA office for more information.

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**Special Vocational Training** is also available to persons eligible for DEA benefits. This type of program may be approved for an eligible person who is not in need of Special Restorative Training, but who requires such a program because of a mental or physical handicap. Contact your local VA office for more information.

### **National Call to Service Program**

This National Call to Service Incentive program requires a participant to perform a period of national service to be eligible for benefits. It is a Department of Defense program that is administered by VA.

### **Eligibility Requirements for Incentives**

There is a three-tiered service requirement to qualify for incentives under the National Call to Service program:

1. First, after completion of initial entry training, individuals must serve on active duty in a military occupational specialty designated by the Secretary of Defense for a period of 15 months.
2. After this, and without a break in service, these individuals must serve either an additional period of active duty as determined by the Secretary of Defense, or a period of 24 months in an active status in the Selected Reserve.
3. After completion of this period of service, and also, without a break in service, the remaining period of obligated service specified in the agreement will be served as follows:
  - On active duty in the armed forces
  - In the Selected Reserve
  - In the Individual Ready Reserve
  - In Americorps, or another domestic national service program jointly designated by the Secretary of Defense and the head of such a program
4. Any combination of the service referred to above may also be approved by the Secretary of the military department concerned pursuant to regulations prescribed by the Secretary of Defense and specified in the agreement.

### **Choice of Incentives**

Individuals who participate in this new program have a choice of incentives as follows:

- Cash bonus of \$5,000
- Repayment of a qualifying student loan not to exceed \$18,000
- Entitlement to allowance equal to the 3-year monthly chapter 30 rate for 12 months (\$1,034 effective Oct 1, 2005)
- Entitlement to allowance equal to fifty percent of the less than 3-year monthly chapter 30 rate for 36 months (Fifty percent of \$840 effective Oct. 1, 2005)
- Coordination with Montgomery GI Bill Benefits

National Call to Service (NCS) participants who elect to receive an educational assistance incentive are not entitled to additional assistance under chapter 1606 or chapter 30 benefits unless the participant completes the service requirements necessary to establish eligibility.

An individual who receives benefits under the NCS program who also establishes eligibility under chapter 1606 or chapter 30 will have entitlement under chapter 1606 or chapter 30 reduced by the amounts paid under the NCS program.

The effective date of this program is October 1, 2003.

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## **How to Apply for GI Bill Benefits Online**

Visit <http://www.gibill.va.gov/apply-for-benefits/application/> for an electronic application form that may be completed and submitted online. Current regulations require that you send the VA a signature in the mail after submission in order for them to process your application.

## **Apply for GI Bill Benefits Using a Hardcopy Form**

If you don't have the capability to apply online, you can call 1-888-GI BILL-1 (1-888-442-4551) to have a form mailed to you.

You may also receive an application form at the school or training establishment you wish to attend. The VA Certifying official at the school (usually located in the Registrar's or Financial Aid office) should have the forms available, can assist you in filling them out, and will submit them to VA.

## **Transition Assistance**

The Department of Veterans Affairs (VA) has an active role in Transition Assistance Program (TAP) and Disabled Transition Assistance Program (DTAP) throughout the United States and around the world. Since the implementation of TAP/DTAP through the original legislation VA has provided benefit information to separating service members and their families.

VA encourages all separating service members to contact their respective Family Service Centers/Transition Center to determine when the Transition Assistance Briefings are scheduled for a particular site and attend. These briefings provide information which will help you make the transition to civilian life easier by ensuring you are aware of the many VA benefits available to you.

Military Services Coordinators (MSCs) conduct TAP/DTAP briefings at transition sites located at military installations across the country as well as at locations in Europe and the Far East. These briefings provide information on the full range of VA benefits to include but not limited to disability compensation, education, home loan program, insurance, vocational rehabilitation, and burial benefits.

Disabled transition (DTAP) is an integral part of the transition program and concentrates on those service members being separated due to a disability incurred while on active duty.

Almost without exception, an MSC is assigned to each VA Regional Office across the country and he or she visits the transition sites within the respective state to provide the TAP/DTAP briefings. VA also has an Overseas Military Services Program in which VA representatives are assigned to host transition sites in both the European and Pacific Theaters. These representatives provide benefit briefings at transition sites throughout the country to which they are assigned.

VA currently has counselors assigned in Germany, England, Italy, Japan, and on Okinawa. Itinerant service is also provided in Spain, Turkey, Iceland, Panama, and Guantanamo Bay, Cuba. See also <http://gibill.va.gov/community/links.html>.

## **Information for Students Wishing to Attend Foreign Schools**

The following information must be submitted by Veterans, Servicepersons, Reservists, and Eligible Dependents to assist VA to evaluate their intended program of education.

NOTE: Independent study (distance learning) courses must be accredited by a nationally recognized accrediting association. In the alternative, the course may be approved under the U.S. Department of Education's Federal Family Education Loan (FFEL) program.

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## Eligibility

1. To be eligible for training in a foreign school, you must meet the same basic eligibility requirements as for training in the United States. In addition, the training at the foreign school must be at an institution of higher learning leading to a standard college degree, or the equivalent and the program of education at the foreign institution must have been approved by VA.

To apply online visit: <http://vabenefits.vba.va.gov/vonapp/main.asp>

2. If you are determined to be eligible for VA benefits, you will be issued a Certificate of Eligibility showing the number of months of entitlement you have, as well as the date your eligibility expires. If possible, you should have this document in your possession before enrolling at a foreign school.
3. You should submit your application early enough to have the program of education approved before leaving the United States. (See General Instruction below.)
4. You may receive VA benefits under the following programs of educational assistance:
  - a. Post-9/11 GI Bill (Chapter 33)
  - b. Montgomery GI Bill – Active Duty (Chapter 30)
  - c. Montgomery GI Bill – Selected Reserve (Chapter 1606)
  - d. Post-Vietnam Veterans’ Educational Assistance Program – VEAP (Chapter 32)
  - e. Survivors’ and Dependents’ Educational Assistance Program (Chapter 35)
  - f. Educational Assistance Pilot Program (Section 901)
  - g. Omnibus Diplomatic Security & Antiterrorism Act

## General Instructions

1. Before enrolling at a foreign school:
  - a) Determine if your program of education is approved for VA benefits. The educational institution you plan to attend should be able to advise you if the program you are interested in pursuing at their school has already been approved for VA benefits. If you are unable to obtain this information from your school, contact the VA at [http://www.gibill.va.gov/resources/education\\_resources/foreign\\_schools.html](http://www.gibill.va.gov/resources/education_resources/foreign_schools.html), provide the name of the foreign school, the complete address, and the name of the program you intend to pursue. The VA will advise you whether the program has already been approved for VA benefits.

**IMPORTANT:** If the program of education you intend to pursue has not yet been approved for VA benefits, you should contact an official from the foreign school and request they apply for approval. Only an official of the foreign school may apply for approval of a program; you cannot submit the request on the school’s behalf.

- b) Make arrangements with the school for acceptance, enrollment, payment of tuition and fees, and for any other requirements such as living accommodations.
- c) Make arrangements for travel including your passport, visa, and vaccinations, as required. You should also check with your intended school to ascertain the school’s or host country’s requirements for health insurance. This is very important since, in some instances, you may not be able to start classes until health insurance arrangements have been made.
- d) Maintain a sufficient financial reserve to care for all of your needs until VA educational assistance allowance payments begin. Please bear in mind that any payment of VA benefits will be made directly to you, not the school. VA benefit rates are set by Congress based on your training time and attendance; they will not necessarily cover the total cost of your school’s tuition and fees. You are solely responsible for payment of all charges assessed by your school.

**IMPORTANT:** If your program of education has not already been approved, you may experience delays while VA evaluates whether your program can be approved for VA benefits. If approval of your program of education is denied by VA, you will still be responsible to your school for all charges, including tuition and fees.

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e) Some countries have their own version of the Privacy Act. Students attending school in these countries should furnish written permission to school officials allowing them to release information as necessary to VA. Failure to do so may affect receipt of VA benefits.

2. After enrolling at a foreign school:

- a. Submit your application to VA at least 90 days in advance of your departure to ensure ample time for processing. Prompt processing of your application for foreign training will be greatly facilitated if you send your application to the appropriate VA office.
- b. When you receive the Certificate of Eligibility, take it with you and submit it to the school's certifying official as verification that you are eligible to receive VA benefits. Your school's certifying official will then submit your enrollment information on VA Form 22-1999. Please note you will not receive payments until your enrollment information has been received and processed by VA.

### **Where Your Claim will be Processed**

If you are training in Puerto Rico or the U. S. Virgin Islands, your claim will be handled by the Atlanta Regional Processing Office (in Decatur, Georgia).

If you are training in the Republic of the Philippines, American Samoa, Guam, Midway, Wake Island, any of the islands in the Federated States of the Marshall Islands, the Republic of Micronesia, or the Republic of Palau, your claim will be handled by the Muskogee Regional Processing Office.

If you are training in any other foreign country or area; your claim will be handled by the Buffalo Regional Processing Office.

### **Reentrance**

Normally, foreign schools certify their students for the complete academic year. If you plan to attend a foreign school for more than one year, within 120 days of your reenrollment you should notify the school of your intention to reenroll and have the appropriate certifying official submit an enrollment certification for your reenrollment. If your school does not have a supply of the enrollment certifications, the school should request a supply of forms from the Buffalo Regional Office, and they will be mailed directly to the school. You should keep the school advised of your plans for continuing enrollment in order to avoid any delay in receiving your benefits.

### **Approval Information**

Information concerning the approval status of a program at a foreign school may be obtained by contacting VA at <https://gibill.custhelp.com/>

Written requests for information should be submitted to:

Foreign School Approval Group (22-ESU)  
VA Regional Office  
130 S. Elmwood Avenue Suite 601  
Buffalo, NY 14202

When submitting an inquiry or application, you should clearly indicate your school and your planned program of education as precisely as possible. VA will then advise you of the program's approval status and thus enable you to contact your school without undue delay to initiate any approval procedures that may be necessary.

### **Restrictions on Foreign Training**

The law provides that VA beneficiaries may not pursue programs of education at schools outside of the United States unless they are pursuing approved programs leading to a standard college degree, or the equivalent, at approved



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institutions of higher learning. The only exception is for persons eligible for Survivors' and Dependents' Educational Assistance (Chapter 35) who may receive VA benefits while pursuing approved postsecondary non-college degree programs at training establishments in the Philippines.

The term "institution of higher learning" means a college or university offering programs of instruction leading to an associate degree or higher, or its equivalent. The programs must be recognized as being comparable to a degree granted by accredited U. S. colleges and universities. VA will accept degrees granted by public colleges and universities in foreign countries as being comparable to degrees granted by accredited U. S. colleges and universities. Degrees, or their equivalent, granted by private colleges and universities in foreign countries must be comparable to degrees granted by public colleges and universities in the same country. Degree or equivalent programs must have the same entrance requirements as the degree programs offered by public colleges and universities in the same country.

### **Approval Procedures**

Programs offered by schools in the Philippines are subject to approval by the Director of the Manila Regional Office. Programs offered by all other foreign schools are subject to approval by the Director of the Buffalo Regional Office. If a veteran, serviceperson, reservist, or eligible dependent wishes to enroll in a program of education that has not already been approved, he or she should ask the school to request approval of the program he or she intends to pursue. VA can take no action until a request for approval is received from a school official.

IMPORTANT: Some schools located in the United States offer courses in a foreign country under contract with the Department of Defense. These courses are not considered foreign training. Similarly, "Junior Year Abroad" programs and similar programs offered by schools in the United States are not considered foreign training.

Instructions on how school officials may apply for approval of programs of education can be found at [http://www.gibill.va.gov/school-certifying-officials/Overseas\\_Training\\_Schools.html](http://www.gibill.va.gov/school-certifying-officials/Overseas_Training_Schools.html).

### **Where to Go for Help**

For applications and further information, the following offices or representatives will be glad to assist you:

- Any VA Regional Office;
- Local representatives of veterans' organizations and the American Red Cross;
- Foreign Service Posts;
- Canadian Department of Veterans Affairs (Canadian schools only).

Within all 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands, call VA's customer service toll-free for information about education benefits: 1-888-GI BILL-1 (1-888-442-4551). For toll-free TDD service, call 1-800-829-4833. For information about all other VA benefits, call toll-free 1-800-827-1000.

You may send an email inquiry 24 hours a day, 7 days a week by visiting <https://gibill.custhelp.com/>. You will generally receive a response within 3 to 5 business days.

During business hours, Monday through Friday 8:00 am to 4:00 pm EST, Students and School Certifying Officials calling from outside the United States may call the Buffalo Regional Office at 716-857-3196 or 716-857-3197. Once connected, the caller can immediately enter "option 1" to be placed in a special priority queue. This is not a toll-free number but the caller will be routed to the next available Customer Service Representative for priority service.

## Education Programs

The various GI Bills are available for many different types of Education Programs. Here is a listing of the programs available:

- IHL (Institutions of Higher Learning)
- NCD (Non-College Degree Programs)
- On-the-Job & Apprenticeship Training
- Flight Training
- Independent Training, Distance Learning, & Internet Training
- Correspondence Training
- National Testing Program
- Licensing & Certification
- Entrepreneurship Training
- Work-Study Program
- Co-op Training
- Accelerated Payment
- Tuition Assistance Top-Up
- Tutorial Assistance Program

Various education pursuits are only available under specific GI Bill programs, you should ensure the education program you wish to enroll in will be qualified for reimbursement under the GI Bill you are eligible for.

**IHL (Institutes of Higher Learning)** - The GI Bill is available for attendance at IHLs such as:

- Four Year Universities
- Community Colleges
- Advanced Degrees

Payment is based on the number of classes you attend:

- 12 hours or more - fulltime
- 9 - 11 hours -  $\frac{3}{4}$  time
- 6 - 8 hours -  $\frac{1}{2}$  time
- less than 6 hours - reimbursed at a rate not to exceed the tuition & fees charged for the course(s)

For graduate level training, the training time is determined by the college - for example, if a 2 hour class is considered full time in a graduate program at your school, the VA will pay you the full time rate. For current payment rates see [http://www.gibill.va.gov/resources/benefits\\_resources/rate\\_tables.html](http://www.gibill.va.gov/resources/benefits_resources/rate_tables.html).

The GI Bill will allow you to attend more than one college at a time, as long as the classes at both institutions count towards your degree, and the school granting your degree accepts the classes at the second school as part of your requirements. However, the GI Bill will not pay you to take the same classes twice unless you receive a failing grade in a class that is a graduation requirement.

The GI Bill can pay you for more than one degree, for example: it will pay you for a degree in Business and then for a second degree in Computer Science, or for an AA, BA, MA in the same field. Once you have a degree, you could pursue another one provided you have remaining entitlement on your GI Bill.

Payments are issued monthly in arrears (for example - you receive the November payment in December.) For the Post-9/11 GI Bill, the tuition & fees are paid directly to the school, the book stipend is paid to you at the beginning of the term, and the housing allowance is paid to you at the end of each month.

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**NCD (Non-College-Degree) Training** - The GI Bill is available for training at Non-College-Degree Institutions, examples of this type of training are diploma vocational schools such as:

- HVAC Certification
- Truck Driving
- EMT Certification
- Barber/Beautician School

### **Payment Amounts**

The payment amount varies depending on the GI Bill program you are utilizing, and the type of NCD School you are attending. Payments are issued monthly after the training is completed.

The monthly entitlement is based on the number of clock hours you attend training during each week of the month.

**On-the-Job or Apprenticeship Training** - The GI Bill is available for On-the-Job or Apprenticeship Training. Examples of this type of training are:

- Union Plumber
- Hotel Management
- Firefighter

### **Apprenticeships**

Apprenticeship training differs from on-the-job training (OJT) in that it combines OJT with classroom instruction to prepare workers for a job. (6 mo to 2 yrs) Often after completing an apprenticeship you receive a Certificate of Apprenticeship.

- Machinist
- Land Surveyor
- Baker

### **Payment Amounts**

VA will reimburse you at the following rates:

#### Post-9/11 GI Bill

1. You will receive 100% of your applicable MHA during the first 6 months of training
2. 80% of your applicable MHA during the second 6 months of training
3. 60% of your applicable MHA during the third 6 months of training
4. 40% of your applicable MHA during the fourth 6 months of training
5. 20% of your applicable MHA during the remainder of the training

#### All other GI Bill Programs

1. 75% of the full-time GI Bill rate for the first 6 months of training
2. 55% of the full-time GI Bill rate for the second 6 months of training
3. 35% of the full-time GI Bill rate for the remainder of the training program

Post-9/11 GI Bill recipients will also receive up to \$83 per month for books and supplies.

**Flight Training** - The GI Bill (except DEA) is available for Flight Training such as:

- 
- Rotary wing qualification
  - B747-400 Qualification
  - Dual Qualification
  - Flight engineer

In order to qualify, you must have a private pilot's license and valid medical certification before beginning training. VA will reimburse you for 60% of the approved charges. Payments are issued after the training is completed and the school submits information to the VA.

The GI Bill is available for Independent, Distance or Internet training. This type of training is usually offered by IHLs and similar rules & rates apply.

**National Testing Program** - Section 106 of PL 108-454 allows VA to reimburse claimants for the fee charged for:

1. National tests for admission to institutions of higher learning and
2. National tests providing an opportunity for course credit at institutions of higher learning.

Currently the approved tests are as follows:

- SAT (Scholastic Assessment Test)
- LSAT (Law School Admission Test)
- GRE (Graduate Record Exam)
- GMAT (Graduate Management Admission Test)
- AP (Advanced Placement Exam)
- CLEP (College-Level Examination Program)
- ACT (American College Testing Program)
- DAT (Dental Admissions Test)
- MAT (Miller Analogies Test)
- MCAT (Medical College Admissions Test)
- OAT (Optometry Admissions Testing)
- PCAT (Pharmacy College Admissions Test)
- TOEFL (Test of English as a Foreign Language)
- DSST (DANTES Subject Standardized Tests)
- ECE (Excelsior College Examinations)

### **Licensing and Certification**

You can receive GI Bill reimbursement for licensing and certification tests. These tests must be specifically approved for the G.I. Bill. There is no limit to the number of tests you may take, or number of times you may take the same test. VA will pay for tests even if you fail them.

VA can pay only for the cost of the tests, up to \$2,000.00 for each test. We cannot issue reimbursement for other fees connected with obtaining a license or certification. Payment is issued after you submit proof of payment, etc. to the VA.

**Entrepreneurship Training** - Available to all GI Bill programs with the exception of DEA.

As a service member or veteran you now have an opportunity to use your education benefits to learn how to start or enhance a small business. Entrepreneurship training allows eligible service members and veterans to use VA education benefits to take courses offered by the Small Business Development Centers (SBDCs) or The National Veterans Business Development Corporation, better known as "The Veterans Corporation." Individual courses must be specifically approved for VA purposes to use your benefits.

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## Eligibility

You may receive reimbursement for approved entrepreneurship courses if you're eligible for any of these VA Education Programs:

- Montgomery GI Bill – Active Duty
- Montgomery GI Bill - Selected Reserve
- Veterans' Educational Assistance Program
- Section 903 of Public Law 96-342

To find out if you might be eligible under any of these programs, check out the website <http://gibill.va.gov/benefits/index.html>.

Owning or operating your own business will not disqualify you from using your benefits for these courses. In fact, you can use your benefits more than once to take approved entrepreneurship courses.

## Finding a Course

Both of the qualified organizations offer courses around the country. To locate course offerings near you, view training opportunities on the Web or contact the organizations directly.

## Small Business Development Centers

Find out more information on the web at [www.sba.gov/sbdc](http://www.sba.gov/sbdc) or by phone at 1-800-8-ASK-SBA.

## The Veterans Corporation

The Veteranscorp.org mission is to help structure and facilitate collaborations between nonprofit and profit small business entities and veteran/service disabled veteran owned small businesses. Veteranscorp.org serves as the reconstitution of the National Veterans Business Development Corporation, dba The Veterans Corporation, which was chartered by Congress under Public Law 106-50. The new Veteranscorp.org is not chartered by Congress but has assumed the original mission: to help and educate Veterans in small business. To accomplish its mission, Veteranscorp.org acts as clearinghouse for ideas and information deemed useful to veteran and service disabled veteran owned small businesses. Veteranscorp.org also acts as a clearinghouse for soliciting and distributing small business information to the general public. - <http://www.veteranscorp.org/>

Collaboration is the key to success. If you or a person or organization you know would like to work with Veteranscorp, don't hesitate to connect. For general inquiries, use the contact form below; otherwise, fill out the Collaborate with Veteranscorp form. - See more at: <http://www.veteranscorp.org/collaborate-with-veteranscorp/>

## Veterans in Business

Additional assistance for veteran entrepreneurs is available through the Department of Veterans Affairs' Center for Veterans Enterprise (CVE). CVE helps veterans:

- Open a Business
- Expand a Business
- Understand Federal Buying Rules
- Find Business Opportunities

To find out more about the services offered by CVE, visit them on the web at <http://www.va.gov/osdbu/veteran/> or call 1-866-584-2344.

**Work-Study Program** - If you're a full-time or 3/4-time student in a college degree program, or a vocational or professional program, you can "earn while you learn" with a VA work-study allowance.

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**Note:** Don't rely on this document to determine if you're eligible for work-study or education benefits. To receive a formal decision from VA, you must file a claim for benefits.

**Please note: Effective June 30, 2013, some work-study activities authorized by Congress expired. VA can no longer pay for a certain work-study activities. Those are:**

- Outreach services to Servicemembers and Veterans furnished under the supervision of a state approving agency employee
- Hospital and domiciliary care and medical treatment to Veterans in a State home when VA pays an allowance to the state for such care
- Any activity relating to the administration of a national cemetery or a state Veterans' cemetery

All other work-study activities are unaffected.

### **Who is Eligible?**

The VA work-study allowance is available to persons training under the following programs:

- Post-9/11 GI Bill--(38 U.S.C. Chapter 33) (Veterans and transfer-of-entitlement recipients)
- Montgomery GI Bill--Active Duty (38 U.S.C. Chapter 30)
- REAP Participants
- Montgomery GI Bill--Selected Reserve (10 U.S.C. Chapter 1606)
- Post-Vietnam Era Veterans' Educational Assistance Program (38 U.S.C. Chapter 32)
- Dependents' Educational Assistance Program (38 U.S.C. Chapter 35)
- Eligible dependents under 38 U.S.C. Chapter 35 may use work study only while training in a State.
- National Call to Service Participants
- Vocational Rehabilitation & Employment Program -- (38 U.S.C. Chapter 31)

VA will select students for the work-study program based on different factors. Such factors include:

- Ability of the student to complete the work-study contract before the end of his or her eligibility to education benefits
- Job availability within normal commuting distance to the student

The number of applicants selected will depend on the availability of VA-related work at your school or at VA facilities in your area. Veterans with service-connected disabilities of at least 30% may be given priority consideration.

### **How Much Can Be Earned?**

You'll earn an hourly wage equal to the Federal minimum wage or your State minimum wage, whichever is greater. If you're in a work-study job at a college or university, your school may pay you the difference between the amount VA pays and the amount the school normally pays other work-study students doing the same job as you.

You may elect to be paid in advance for 40 percent of the number of hours in your work-study agreement, or for 50 hours, whichever is less. After you've completed the hours covered by your first payment, VA will pay you each time you complete 50 hours of service.

You may work during or between periods of enrollment. You can arrange with VA to work any number of hours you want during your enrollment. But, the total number of hours you work can't be more than 25 times the number of weeks in your enrollment period.

### **What Type of Work Can Be Done?**

Services you perform under a VA work-study program must be related to VA work. Examples of acceptable work are:

- 
- The preparation and processing of necessary papers and other documents at educational institutions
  - Any activity at a VA facility
  - Any activity at Department of Defense, Coast Guard, or National Guard facilities relating to the administration of Chapters 1606 or 1607 of Title 10 U.S.C.
  - Any activity of a State Veterans agency related to providing assistance to Veterans in obtaining any benefit under Title 38, U.S.C. or the laws of the State
  - A position working in a Center for Excellence for Veteran Student Success, as established under 20 U.S.C. 1161t, which purpose is to support and coordinate academic, financial, physical, and social needs of Veteran students
  - A position working in a cooperative program carried out jointly by the VA and an Institution of Higher Learning
  - Any veterans-related position in an Institution of Higher Learning, such as:
    - Assisting with dissemination of general information regarding Veteran benefits and/or services
    - Providing assistance to Veteran students with general inquiries about Veteran benefits via phone, email, or in person

The work you actually do will depend on your interests and the type of work available.

### **How to Apply?**

For forms and information, one or more of the following offices or representatives can assist you:

- Any VA regional office.
- Any VA office or Vet Center.
- Local representatives of veterans' organizations.
- Reserve Education and Incentives Officers.

You can download a copy of the application here: <http://www.vba.va.gov/pubs/forms/VBA-22-8691-ARE.pdf> or you can find the nearest Regional Processing Offices at [http://gibill.va.gov/contact/regional\\_offices/index.html](http://gibill.va.gov/contact/regional_offices/index.html).

Consult a telephone directory under United States Government, Department of Veterans Affairs, for the telephone number of the office nearest you. Toll-free telephone service is available in all 50 states, Puerto Rico, and the U. S. Virgin Islands. Call 1-888-GI-BILL-1 (1-888-442-4551) or for the hearing impaired call 1-800-829-4833.

VA supervisory personnel occasionally monitor telephone calls. They do this to ensure that the public receives accurate information and courteous responses. The person monitoring a call does not keep a record of the caller's name, address, file number, or telephone number.

To obtain information on other sources of assistance, contact the financial aid office at your school.

**Co-op Training** - Co-op training allows you to attend school and gain valuable work experience at the same time! Some schools partner with employers allowing you to attend classes in your desired field, i.e. Computer Programming, and work for an employer in that field as well. This is not available under the Post-9/11 GI Bill.

There are several different scenarios:

- you can attend classes in the morning and work in the afternoon
- you can attend classes at night and work during the day
- you can attend full time during one semester and work full-time during another semester, etc.

You will receive GI Bill benefits at the full-time rate during the entire period.

Please contact your school or employer for more information.

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## Accelerated Payment for MGIB-AD

Not available under the Post-9/11 GI Bill, Dependents Education Assistance program, or VEAP

An accelerated payment is a lump sum payment of 60% of tuition and fees for certain high cost, high tech programs. To qualify, you must be enrolled in a high tech program and you must certify that you intend to seek employment in a high tech industry as defined by VA. Accelerated payment is paid instead of GI Bill benefits that you would otherwise receive.

VA will make accelerated payments for one term, quarter, or semester at a time. However, if the program is not offered on a term, quarter or semester basis, the accelerated payment is paid for the entire program. To qualify, you must be enrolled in a high tech program and you must certify that you intend to seek employment in a high tech industry as defined by VA. Accelerated payment is paid instead of Montgomery GI Bill benefits that you would otherwise receive.

### Who qualifies for accelerated payments?

Only individuals eligible for the Montgomery GI Bill - Active Duty (Chapter 30), Montgomery GI Bill - Reserve Duty (Chapter 1606), and Reserve Educational Assistance Program (REAP) qualify for accelerated payments. Additionally, Reservists and REAP participants only qualify for accelerated payments for programs of education that began after October 1, 2008.

### How high do the tuition and fees have to be?

To receive accelerated payment, the tuition and fees must be more than double the Montgomery GI Bill benefits that you would otherwise receive for that term. For example, if your full-time rate is \$732 and you are enrolled in a 4-month semester, your tuition and fees must be over \$5,856 (4 months x \$732=\$2,928; \$5,856=2 x \$2,928) before you could receive an accelerated payment.

If you receive \$900 monthly benefits, your tuition and fees must be over \$7,200 (4 months x \$900=\$3,600; \$7,200= 2 x \$3,600). If you receive \$1,050 monthly benefits, your tuition and fees must be over \$8,400 (4 months x \$1,050 = \$4,200; 2 x \$4,200 = \$8,400).

### List of Approved High Technology Programs (For Active Duty GI Bill Recipients Only)

NOTE: "\*" means all programs are considered high technology programs within that discipline.

- Animal Sciences
  - Animal Sciences, General
  - Agricultural Animal Breeding
  - Animal Health
  - Animal Nutrition
  - Dairy Science
  - Livestock Management
  - Poultry Science
- Food Science And Technology
  - Food Science
  - Food Technology and Processing
  - Food Science and Technology
  - Plant Sciences General
  - Agronomy and Crop Science
  - Horticultural Science
  - Agricultural and Horticultural Plant Breeding
  - Plant Protection and Integrated Pest Management
  - Range Science Management
- Soil Sciences



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- Soil Science and Agronomy General
  - Chemistry and Physics
  - Soil Microbiology
  - Soil Sciences
  - Natural Resources Conservation And Research
    - Environmental Science
  - Fishing And Fisheries Sciences And Management
    - Fishing Fisheries Sciences and Management
  - Forestry
    - Forestry, General
    - Forest Sciences and Biology
    - Forest Management/Forest Resources Management
    - Urban Forestry
    - Wood Science and Wood Products/Pulp and Paper Technology
    - Forest Resources Production and Management
    - Forest Technology/Technician
  - Wildlife And Wildlands Science And Management
    - Wildlife and Wildlands Science and Management
  - Radio, Television, And Digital Communication
    - Digital Communication and Media/Multimedia
  - Computer And Information Sciences And Support Services
    - Computer and Information Sciences, General
    - Artificial Intelligence and Robotics
    - Information Technology
    - Computer and Information Sciences
  - Computer Programming
    - Computer Programming/Programmer General
    - Computer Programming Specific Applications
    - Computer
  - Data Processing
    - Data Process and Data Processing Technology/Technician
  - Information Science/Studies
    - Information Science/Studies
  - Computer Systems Analysis
    - Computer Systems Analysis/Analyst
  - Computer Science
    - Computer Science
  - Computer Software And Media Application
    - Web Page, Digital/Multimedia and Information Resources Design
    - Data Modeling/Warehousing and Database Administration
    - Computer Graphics
    - Computer Software and Media Applications, Other
  - Computer System Networking And Telecommunications
    - Computer System Networking And Telecommunications
  - Computer/Information Technology Administration And Management
    - System Administration/Administrator
    - System, Networking and LAN/WAN Management/Manager
    - Computer and Information Systems Security
    - Web/Multimedia Management and Webmaster
  - \*Engineering
    - Instructional program that prepare individuals to apply mathematical and scientific principles to the solution of practical problems.
  - \*Engineering Technologies/Technicians
    - Instructional programs that prepare individuals to apply basic engineering principles and technical skills in support of engineering and related projects.

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- \*Biological And Biomedical Sciences
    - Instructional programs that focus on the biological sciences and the non-clinical biomedical sciences, and that prepare individuals for research and professional careers as biologist and biomedical scientist.
  - \*Mathematics And Statistics
    - Instructional programs that focus on the systematic study of logical symbolic language and its applications.
  - \*Military Technologies
    - A program that prepares individuals to undertake advanced and specialized leadership and technical responsibilities for the armed services and related national security organizations. Includes instruction in such areas as weapons systems and technology, communications, intelligence, management, logistics and strategy.
  - Biological And Physical Sciences
    - Biological And Physical Sciences
  - System Science And Theory
    - System Science And Theory
  - Mathematics And Computer Science
    - Mathematics And Computer Science
  - Biopsychology
    - Biopsychology
  - Gerontology
    - Gerontology
  - Accounting And Computer Science
    - Accounting And Computer Science
  - Behavioral Sciences
    - Behavioral Sciences
  - Natural Sciences
    - Natural Sciences
  - Nutrition Sciences
    - Nutrition Sciences
  - Neuroscience
    - Neuroscience
  - Cognitive Science
    - Cognitive Science
  - \*Physical Sciences
    - Instructional programs that focus on the scientific study of inanimate objects, processes of matter and energy, and associated phenomena.
  - \*Science Technologies/Technicians
    - Instructional programs that prepare individuals to apply scientific principles and technical skills in support of scientific research and development.
  - Physiological Psychology/Psychobiology
    - Physiological Psychology/Psychobiology
  - Psychometrics And Quantitative Psychology
    - Psychometrics And Quantitative Psychology
  - Psychopharmacology
    - Psychopharmacology
  - Forensic Psychology
    - Forensic Psychology
  - \*Medical Clinical Sciences/Graduate Medical Studies
    - Medical Scientist (MS, PhD)

Public Law 110-181, authorized an accelerated payment option for Reserve GI Bill & REAP recipients effective October 1, 2008. Accelerated payments under this program may only be made to reservists pursuing a program of education lasting 2 years or less that does not lead to a degree (i.e. bachelor's, masters, etc.). Additionally, the tuition and fees must exceed 200% of the monthly amount of educational assistance that he or she would otherwise be eligible to receive during the certified period of enrollment.

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For more information on accelerated payments, including how to apply, visit: [http://www.gibill.va.gov/resources/education\\_resources/programs/accelerated\\_payment.html](http://www.gibill.va.gov/resources/education_resources/programs/accelerated_payment.html)

## **Tuition Assistance “Top-Up”**

On October 30, 2000, the President signed into law an amendment to the Montgomery GI Bill - Active Duty education program that permits VA to pay a Tuition Assistance Top- up benefit. The amount of the benefit can be equal to the difference between the total cost of a college course and the amount of Tuition Assistance that is paid by the military for the course.

### **What Is The Benefit?**

The amount of this benefit can be equal to the difference between the total cost of a college course and the amount of Tuition Assistance that is paid by the military for the course.

To be eligible for the Top-up benefit, the person must be approved for federal Tuition Assistance by a military department and be eligible for MGIB-Active Duty benefits or the Post-9/11 GI Bill.

### **How Much Will I Get?**

The amount of the benefit is limited to the amount that the person would receive for the same course if regular benefits were being paid. In no case can the amount paid by the military combined with the amount paid by VA be more than the total cost of the course. If you are receiving the Montgomery GI Bill, you will receive the difference between what the DoD pays for the course and the total cost of the course (not to exceed the GI Bill monthly maximum). If you are receiving the Post-9/11 GI Bill your school will be reimbursed the difference between the amount the DoD pays for the course and the authorized maximum tuition and fees for the school.

### **How Is My GI Bill Entitlement Charged?**

Your GI Bill entitlement is charged differently depending on which GI Bill program you are utilizing:

If you are utilizing the Montgomery GI Bill your entitlement is charged based on the dollar amount of benefits VA pays you. You will be charged one month of entitlement for each payment you receive that is equal to the full time monthly rate for the GI Bill. To see the current monthly rates click [here](#).

If you are utilizing the Post-9/11 GI Bill your entitlement is charged based on the training time you are enrolled in. If you are going to classes at the 1/2 time training level you will be charged 1/2 month of Post-9/11 GI Bill benefits for each month you are enrolled and receiving GI Bill benefits - (it does not matter how much money you are reimbursed)

### **How Do I Apply For Tuition Assistance Top-Up Reimbursement?**

People who have not requested GI Bill benefits before should apply online using the VONAPP program, click [here](#) for more information.

A copy of the Tuition Assistance Authorization form for the course that has been signed by an authorized military official should also be sent to the office handling your claim.

Visit [http://www.gibill.va.gov/contact/regional\\_offices/index.html](http://www.gibill.va.gov/contact/regional_offices/index.html) to find the addresses of Regional Processing Offices.

You can also send an electronic copy of the signed Tuition Assistance Authorization form by utilizing the "Submit a Question" application [here](#). Please include information explaining that you are submitting an application for Tuition Assistance Top-Up benefits in your question and include the file as an attachment.

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The Top-up program is not available at this time to persons who are eligible for the MGIB Selected Reserve program.

### **Tutorial Assistance Program**

Not available under REAP

Tutorial assistance helps the student pay for necessary tutoring and is a supplement to the student's regular education benefit. Tutorial assistance is available if you are receiving VA educational assistance at the half-time or greater rate and have a deficiency in a subject making tutoring necessary.

#### **Overview**

The monthly rate of tutorial assistance may not exceed the cost of tutoring or \$100. The maximum amount payable is \$1200.

There is no entitlement charge for the first \$600 under the Montgomery GI Bill (Chapters 30 or 1606), there is no entitlement charge under the Post-9/11 GI Bill or DEA.

#### **Eligibility**

All of the following criteria must be met for a student to be eligible for tutorial assistance.

- The student must be in a post secondary program ½-time or more. For Chapter 33, rate of pursuit must be “at least 50%.”
- The student must have a deficiency in a course that is part of his or her approved program.
- The student must be enrolled in the course during the quarter, semester, or term in which the tutoring is received for the course. Tutoring may not occur between quarters or semesters.

#### **How to Apply**

- The student, tutor, and certifying official must complete an Application and Enrollment Certification for Individualized Tutorial Assistance (VA Form 22-1990t). The application may be submitted at the end of each month or combination of months. The application must be signed and dated on or after the date of the last tutoring session certified. The form can be found at: <http://www.vba.va.gov/pubs/forms/VBA-22-1990t-ARE.pdf>.

## Types of Federal Student Aid

There are three types of federal student aid:

- **Grants** are financial aid that doesn't have to be repaid (unless, for example, you withdraw from school and owe a refund).
- **Work-study** allows you to earn money for your education.
- **Loans** allow you to borrow money for school. You must repay your loans, with interest.

You apply for all three types of aid by filling out just one application: the Free Application for Federal Student Aid (FAFSA) at [www.fafsa.ed.gov](http://www.fafsa.ed.gov).

### Grants

- There are two types of grants: Federal Pell Grants and Federal Supplemental Educational Opportunity Grants (FSEOGs).
- Generally, to receive a grant, you must be an undergraduate student (someone who hasn't earned a bachelor's or graduate degree).
- You can be enrolled full time or part time.

### How much can you get?

Federal Pell Grants — Award amounts can change yearly. The maximum Pell Grant award for the 2012-13 award year (July 1, 2013 to June 30, 2014) is \$5,645. The amount you get, though, will depend not only on your financial need, but also on your costs to attend school, your status as a full-time or part-time student, and your plans to attend school for a full academic year or less.

Federal Supplemental Educational Opportunity Grants (FSEOGs) — Awards range from \$100 to \$4,000 a year. FSEOGs are awarded to undergraduate students with exceptional financial need—those with the lowest Expected Family Contribution (EFC) numbers. Federal Pell Grant recipients receive priority for FSEOG awards.

### What's the difference between these grants?

If you're eligible for a Federal Pell Grant, you'll receive the full amount you qualify for—each school participating in the program receives enough funds to pay the Pell amounts for all its eligible students. The amount of other student aid you might qualify for does not affect the amount of your Pell Grant.

Receiving other aid might reduce the amount of your FSEOG award. Also, each school participating in the FSEOG program receives a certain amount of FSEOG funds each year from the U.S. Department of Education. The school's financial aid office decides how best to award those funds. When all FSEOG funds are used for that award year, no more FSEOG awards can be made for that year—that's why not everyone who qualifies for an FSEOG might get one.

### How will you be paid?

Your school can credit your grant funds to your school account, pay you directly (usually by check), or combine these methods. Also, with your permission, schools can credit your bank account. Schools must disburse funds at least once per term (semester, trimester, or quarter). Schools that don't use formally defined, traditional terms must disburse funds at least twice per academic year.

### Federal Work-Study

- Provides part-time jobs allowing you to earn money to help pay for school;

- 
- Encourages community service work and work related to your course of study, whenever possible;
  - Is available to undergraduate and graduate students; and
  - Is available to full-time and part-time students.
  - It's administered by schools participating in the Federal Work-Study Program. Check with your school's financial aid office to find out if your school participates.

### **What kinds of jobs are there?**

The Federal Work-Study Program emphasizes employment in civic education and work related to your course of study, whenever possible.

### **Are jobs on campus or off campus?**

Both. If you work on campus, you'll usually work for your school. If you work off campus, your employer will usually be a private nonprofit organization or a public agency, and the work performed must be in the public interest.

Some schools might have agreements with private for-profit employers for work-study jobs. These jobs must be relevant to your course of study (to the maximum extent possible). If you attend a proprietary school (i.e., a for-profit institution), there may be further restrictions on the types of jobs you can be assigned.

If you're interested in getting a Federal Work-Study job while you're enrolled in college or career school, make sure you apply for aid early. Schools that participate in the Federal Work-Study Program award funds on a first come, first served basis.

### **How much can I earn?**

You'll earn at least the current federal minimum wage. However, you may earn more depending on the type of work you do and the skills required for the position.

Your total work-study award depends on:

- When you apply
- Your level of financial need, and
- Your school's funding level.

### **How will I be paid?**

How you're paid depends partly on whether you're an undergraduate or graduate student.

- If you are an undergraduate student, you're paid by the hour.
- If you are a graduate or professional student, you're paid by the hour or by salary, depending on the work you do.
- Your school must pay you at least once a month.
- Your school must pay you directly unless you request that the school
  - Send your payments directly to your bank account or
  - Use the money to pay for your education-related institutional charges such as tuition, fees, and room and board.

### **Can I work as many hours as I want?**

No. The amount you earn can't exceed your total Federal Work-Study award. When assigning work hours, your employer or your school's financial aid office will consider your class schedule and your academic progress.

### **Student Loans**

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If you apply for financial aid, you may be offered loans as part of your school's financial aid offer. A loan is money you borrow and must pay back with interest.

If you decide to take out a loan, make sure you understand who is making the loan and the terms and conditions of the loan. Student loans can come from the federal government or from private sources such as a bank or financial institution. Loans made by the federal government, called federal student loans, usually offer borrowers lower interest rates and have more flexible repayment options than loans from banks or other private sources. Learn more about the differences between federal and private student loans.

### **What types of federal student loans are available?**

The U.S. Department of Education has two federal student loan programs:

- The William D. Ford Federal Direct Loan (Direct Loan) Program is the largest federal student loan program. Under this program, the U.S. Department of Education is your lender. There are four types of Direct Loans available:
  - Direct Subsidized Loans are loans made to eligible undergraduate students who demonstrate financial need to help cover the costs of higher education at a college or career school.
  - Direct Unsubsidized Loans are loans made to eligible undergraduate, graduate, and professional students, but in this case, the student does not have to demonstrate financial need to be eligible for the loan.
  - Direct PLUS Loans are loans made to graduate or professional students and parents of dependent undergraduate students to help pay for education expenses not covered by other financial aid.
  - Direct Consolidation Loans allow you to combine all of your eligible federal student loans into a single loan with a single loan servicer.
- The Federal Perkins Loan Program is a school-based loan program for undergraduates and graduate students with exceptional financial need. Under this program, the school is lender.

To compare the Federal Student Loan Programs visit: <http://studentaid.ed.gov/sites/default/files/federal-loan-programs.pdf>

### **How much money can I borrow in federal student loans?**

If you are an undergraduate student:

- Up to \$5,500 per year in Perkins Loans depending on your financial need, the amount of other aid you receive, and the availability of funds at your college or career school.
- \$5,500 to \$12,500 per year in Direct Subsidized Loans and Direct Unsubsidized Loans depending on certain factors, including your year in college.

If you are a graduate student:

- Up to \$8,000 each year in Perkins Loans depending on your financial need, the amount of other aid you receive, and the availability of funds at your college or career school.
- Up to \$20,500 each year in Direct Unsubsidized Loans.
- The remainder of your college costs not covered by other financial aid in Direct PLUS Loans. Note: A credit check is required for a PLUS loan.

If you are a parent of a dependent undergraduate student:

- The remainder of your child's college costs that are not covered by other financial aid. Note: A credit check is required for a parent loan (called a PLUS loan).

Remember, you can borrow less than your school offers you. You should only borrow what you need.

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## Why should I take out federal student loans?

Federal student loans are an investment in your future. You should not be afraid to take out federal student loans, but you should be smart about it.

Federal student loans offer many benefits compared to other options you may consider when paying for college:

- The interest rate on federal student loans is almost always lower than that on private loans—and much lower than that on a credit card!
- You don't need a credit check or a cosigner to get most federal student loans.
- You don't have to begin repaying your federal student loans until after you leave college or drop below half-time.
- If you demonstrate financial need, you can qualify to have the government pay your interest while you are in school.
- Federal student loans offer flexible repayment plans and options to postpone your loan payments if you're having trouble making payments.
- If you work in certain jobs, you may be eligible to have a portion of your federal student loans forgiven if you meet certain conditions.

## What should I consider when taking out federal student loans?

Before you take out a loan, it's important to understand that a loan is a legal obligation that you will be responsible for repaying with interest. You may not have to begin repaying your federal student loans right away, but you don't have to wait to understand your responsibilities as a borrower.

Be a responsible borrower.

- Keep track of how much you're borrowing. Think about how the amount of your loans will affect your future finances, and how much you can afford to repay. Your student loan payments should be only a small percentage of your salary after you graduate, so it's important not to borrow more than you need for your school-related expenses.
- Research starting salaries in your field. Ask your school for starting salaries of recent graduates in your field of study to get an idea of how much you are likely to earn after you graduate. You can use the U.S. Department of Labor's [Occupational Outlook Handbook](#) to estimate salaries for different careers or research employment opportunities advertised in the area where you plan to live to get an idea of a local starting salary. You also can use the Department of Labor's career search tool to research careers and view the average annual salary for each career.
- Understand the terms of your loan and keep copies of your loan documents. When you sign your promissory note, you are agreeing to repay the loan according to the terms of the note even if you don't complete your education, can't get a job after you complete the program, or you didn't like the education you received.
- Make payments on time. You are required to make payments on time even if you don't receive a bill, repayment notice, or a reminder. You must pay the full amount required by your repayment plan, as partial payments do not fulfill your obligation to repay your student loan on time.
- Keep in touch with your loan servicer. Notify your loan servicer when you graduate; withdraw from school; drop below half-time status; transfer to another school; or change your name, address, or Social Security number. You also should contact your servicer if you're having trouble making your scheduled loan payments. Your servicer has several options available to help you keep your loan in good standing.

## How do I get a federal student loan?

To apply for a federal student loan, you must complete and submit a Free Application for Federal Student Aid (FAFSA). Based on the results of your FAFSA, your college or career school will send you a financial aid offer, which may include federal student loans. Your school will tell you how to accept all or a part of the loan.



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Before you receive your loan funds, you will be required to

- complete entrance counseling, a tool to ensure you understand your obligation to repay the loan; and
- sign a Master Promissory Note (MPN), agreeing to the terms of the loan.

Contact the financial aid office at the school you are planning to attend for details regarding the process at your school.

### **Repaying Your Loans**

Understanding the repayment process for your federal student loans can go a long way toward building a solid financial foundation.

Remember, federal student loans are real loans, just like car loans or mortgages. You must repay a student loan even if your financial circumstances become difficult. Your student loans cannot be canceled because you didn't get the education or job you expected, or because you didn't complete your education (unless you couldn't complete your education because your school closed).

### **Making Payments**

You need to make payments to your loan servicer. Each servicer has its own payment process, so check with your servicer if you aren't sure how or when to make a payment. You are responsible for staying in touch with your servicer and making your payments, even if you do not receive a bill.

### **When do I begin repaying my federal student loan?**

You don't have to begin repaying most federal student loans until after you leave college or drop below half-time enrollment. However, PLUS loans enter repayment once your loan is fully disbursed (paid out).

Your loan servicer or lender must provide you with a loan repayment schedule that states when your first payment is due, the number and frequency of payments, and the amount of each payment. Keep in mind that your loan may have a grace period.

### **What's a grace period?**

The grace period is a set period of time after you graduate, leave school, or drop below half-time enrollment before you must begin repayment on your loan. The grace period gives you time to get financially settled and to select your repayment plan. Not all federal student loans have a grace period. Note that for most loans, interest will accrue during your grace period.

- Direct Subsidized Loans, Direct Unsubsidized Loans, Subsidized Federal Stafford Loans, and Unsubsidized Federal Stafford Loans have a six-month grace period before payments are due.
- PLUS loans have no grace period. They enter repayment once they are fully disbursed but may be eligible for a deferment. Contact your loan servicer for more information.
- If you received a Federal Perkins Loan, check with the school where you received your loan.

### **Can my grace period change?**

Circumstances that may change your grace period include the following:

- Active duty military—If you are called to active military duty for more than 30 days before the end of your grace period, you will receive the full six-month grace period when you return from active duty.
- Returning to school before the end of your loan's grace period—If you reenroll in school at least half-time before the end of your grace period, you will receive the full six-month grace period when you stop attending school or drop below half-time enrollment (other conditions apply).

- Loan consolidation—If you consolidate your loans during your grace period, you will give up the remainder of your grace period and begin repayment after your Direct Consolidation Loan is disbursed (paid out). Your first bill will be due approximately two months after the Direct Consolidation Loan is disbursed.

### How much will I need to pay?

Your bill will tell you how much to pay. Your payment (usually made monthly) depends on

- the type of loan you received,
- how much money you borrowed,
- the interest rate on your loan, and
- the repayment plan you choose.

### How do I make my payments?

The U.S. Department of Education (ED) uses several loan servicers to handle the billing and other services on loans for the William D. Ford Federal Direct Loan (Direct Loan) Program and for loans that were made under the Federal Family Education Loan (FFEL) Program and that ED later purchased. You'll tell your loan servicer which repayment plan you'd like to choose.

### Which Organizations Handle Which Loans

Type of Loan	Whom to Pay
Direct Loans and FFEL loans owned by ED	You will make your payments to your loan servicer. Your loan servicer will provide you with information about your repayment terms and your repayment start date.
FFEL loans not owned by ED	You will make your payments to your lender, the organization that made the loan initially. The lender could be a bank, credit union, or other lending institution. Your lender will provide you with information about your repayment terms and your repayment start date.
Federal Perkins Loans	Your loan servicer will most likely be the school you were attending when you received the loan, but in some cases, the school will have a separate organization handle the billing and other services for your Perkins Loan. Contact the school about making Perkins Loan payments.

There are several ways you can make your payments.

If you want to make electronic payments, you can do the following:

- Receive your student loan statement electronically.
- Make your student loan payment through electronic debiting.
- Schedule a recurring electronic debit to pay your bill. You can enroll in electronic debit in several ways, depending on which type of loan you are repaying. Contact the organization that services your loan for information.
- If you want to make payments by postal mail, you should mail your payments directly to your loan servicer.

If you would like to check loan servicer information, interest rate, or other financial aid history, you'll find this information on the National Student Loan Data System (NSLDS®). You will need your Federal Student Aid PIN to access the system.

To discuss repayment plan options or change your repayment plan, contact your loan servicer. First, though, you can use the [Repayment Estimator](#) to get an early look at which plans you may be eligible for and see estimates for how

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much you would pay monthly and overall. You'll need to sign in with your Federal Student Aid PIN because the estimates will be based on your loan information in the NSLDS.

### **Can I pay more than my required monthly payment?**

You can make payments before they are due or pay more than the amount due each month. Contact your loan servicer to make sure the money is applied to your principal balance. Interest is charged on this amount. Paying a little extra each month can reduce the interest you pay and reduce your total cost of your loan over time.

### **What should I do if I'm having trouble making my loan payment?**

Contact your loan servicer as soon as possible. You may be able to change your repayment plan to one that will allow you to have a longer repayment period or to one that is based on your income. Also ask your loan servicer about your options for a deferment or forbearance or loan consolidation.

### **What happens if I don't make my student loan payment?**

If you don't make your student loan payment or make your payment late, your loan may eventually go into default. If you default on your student loan, that status will be reported to credit bureaus, and your credit rating and future borrowing ability will be damaged. In addition, legal action can be taken to require payment through garnishment of wages and withholding of tax refunds.

### **Can I cancel my loan?**

You have a right to cancel all or a portion of a loan disbursement within 120 days of the date your school disbursed your loan money (by crediting the loan money to your school, by paying it directly to you or both). If you choose to cancel, the money you received will have to be returned, but no interest or fees will be charged. See your school's financial aid office for further information.

You are generally required to repay your student loan. In certain situations, your loan may be forgiven, canceled, or discharged.

### **Loan Servicer**

A loan servicer will help you manage the repayment of your federal student loans.

A loan servicer is a company that handles the billing and other services on your federal student loan. The loan servicer will work with you on repayment plans and loan consolidation and will assist you with other tasks related to your federal student loan. It is important to maintain contact with your loan servicer. If your circumstances change at any time during your repayment period, your loan servicer will be able to help.

### **Do I select my loan servicer?**

No. Your loan is assigned to a loan servicer by the U.S. Department of Education (ED) after your loan amount is first disbursed (paid out). The loan has been disbursed when your school transfers your loan money to your school account, gives money to you directly, or a combination of both. Your loan is usually disbursed in at least two payments, and your loan servicer will contact you after the first payment is made to you.

### **Whom do I contact to get information about my loan?**

If your loan is for the current or upcoming school year, contact your school's financial aid office directly for information about

- loan status,
- loan cancellation within 120 days of disbursement, and

- loan disbursement amounts and timing.

Only your school's financial aid office can provide this information.

If your loan was disbursed in a past school year and you're still in school, contact your loan servicer when you

- change your name, address, or phone number;
- graduate;
- drop below half-time enrollment;
- stop going to school; or
- transfer to another school.

If you're no longer in school, contact your loan servicer when you

- change your name, address, or phone number;
- need help making your loan payment;
- have a question about your bill; or
- have other questions about your student loan.

### Who is my loan servicer?

Visit the [National Student Loan Data System](#) (NSLDS®) to view information about all of the federal student loans you have received and to find contact information for the loan servicer or lender for your loans. You will need your [Federal Student Aid PIN](#) to access your information.

The following are loan servicers for federally held loans made through the William D. Ford Federal Direct Loan (Direct Loan) Program and the Federal Family Education Loan (FFEL) Program.

Loan Servicer	Contact
<a href="#">Aspire Resources Inc.</a>	1-855-475-3335
<a href="#">CornerStone</a>	1-800-663-1662
<a href="#">COSTEP</a>	1-877-292-8639
<a href="#">Direct Loan Servicing Center (ACS)</a>	1-800-848-0979
Department of Education Student Loan Servicing Center (ACS)	1-800-835-4611
<a href="#">EDGEducation Loans</a>	1-877-292-7470
<a href="#">EdManage</a>	1-855-479-0490
<a href="#">ESA/Edfinancial</a>	1-855-337-6884
<a href="#">FedLoan Servicing (PHEAA)</a>	1-800-699-2908
<a href="#">Granite State – GSMR</a>	1-888-556-0022
<a href="#">Great Lakes Educational Loan Services, Inc.</a>	1-800-236-4300
<a href="#">KSA Servicing</a>	1-877-292-4825
<a href="#">MOHELA</a>	1-888-866-4352
<a href="#">Nelnet</a>	1-888-486-4722
<a href="#">OSLA Servicing</a>	1-866-264-9762
<a href="#">Sallie Mae</a>	1-800-722-1300
<a href="#">VSAC Federal Loans</a>	1-888-932-5626

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## **Will ED ever transfer my federally held loans to a different servicer?**

Possibly. In some cases, ED needs to transfer loans from one servicer to another servicer on the federal loan servicer team. ED transfers loans as part of its efforts to ensure that all borrowers are provided with customer service and repayment support. If ED needs to transfer your federal student loans from your assigned servicer to another servicer, your loans will still be owned by ED. The “transfer” to another servicer on ED’s federal loan servicer team simply means that a new servicer will provide the support you need to fully repay your loans.

Here’s what you should expect if your loan is transferred to a new servicer:

- You may receive an e-mail or a letter from your assigned servicer when your loans are transferred to the new servicer.
- You will receive a “welcome letter” from the new servicer after your loans are added to the new servicer’s system. This notice will provide you with the contact information for the new servicer and inform you of actions that you may need to take.
- All of your loan information will be transferred from your assigned servicer to your new servicer.
- There will be no change in the terms of your loans.
- Your previous loan servicer and new loan servicer will work together to make sure that all payments you make during the transfer process are credited to your loan account with the new servicer.

After you receive the welcome letter from your new servicer, you should do the following:

- Begin sending your loan payments to your new servicer. If you use a bank or bill paying service to make your loan payments, update the new servicer’s contact information with the bank or bill paying service.
- Follow the new servicer’s instructions for creating an online account so that you can more easily communicate with the new servicer and keep track of your loan account.

If you have other types of federal student loans, here’s whom to contact for repayment information.

- Federal Perkins Loans — Contact the school where you received your Federal Perkins Loan for details about repaying your loan. Your school may be the servicer for your loan.
- Privately owned FFEL Program loans — Contact your lender for details about repayment options and tools for your FFEL Program loans that are not owned by ED.

### **Whom do I contact for information about my Federal Perkins Loan or about my FFEL Program loan that isn’t owned by ED?**

If you have other types of federal student loans, here’s whom to contact for repayment information.

- Federal Perkins Loans – Contact the school where you received your Federal Perkins Loan for details about repaying your loan. Your school may be the servicer for your loan.
- Privately owned FFEL Program loans — Contact your lender for details about repayment options and tools for your FFEL Program loans that are not owned by ED.

## **Repayment Plans**

Work with your loan servicer to choose a federal student loan repayment plan that’s best for you.

To make your payments more affordable, repayment plans can give you more time to repay your loans or be based on your income.

Although you may select or be assigned a repayment plan when you first begin repaying your student loan, you can change repayment plans at any time.

Contact your loan servicer if you would like to discuss repayment plan options or change your repayment plan. You can get information about all of the federal student loans you have received and find the loan servicer for your loans using the [National Student Loan Data System](#) (NSLDS®).

### Use the Repayment Estimator

Before you contact your loan servicer to discuss repayment plans, you can use the [Repayment Estimator](#) to get an early look at which plans you may be eligible for and see estimates for how much you would pay monthly and overall. You'll need to sign in with your Federal Student Aid PIN because the estimates will be based on your loan information in the NSLDS.

Private student loans you may have received are not federal loans and are not included in NSLDS.

### Repay Your Direct Loans and Federal Family Education Loan (FFEL) Program Loans

#### Overview of Direct Loan and FFEL Program Repayment Plans

Repayment Plan	Eligible Loans	Monthly Payment and Time Frame	Quick Comparison
<a href="#">Standard Repayment Plan</a>	<ul style="list-style-type: none"> <li>• Direct Subsidized and Unsubsidized Loans</li> <li>• Subsidized and Unsubsidized Federal Stafford Loans</li> <li>• all PLUS loans</li> </ul>	Payments are a fixed amount of at least \$50 per month.  Up to 10 years	You'll pay less interest for your loan over time under this plan than you would under other plans.
<a href="#">Graduated Repayment Plan</a>	<ul style="list-style-type: none"> <li>• Direct Subsidized and Unsubsidized Loans</li> <li>• Subsidized and Unsubsidized Federal Stafford Loans</li> <li>• all PLUS loans</li> </ul>	Payments are lower at first and then increase, usually every two years.  Up to 10 years	You'll pay more for your loan over time than under the 10-year standard plan.

<p>Extended Repayment Plan</p>	<ul style="list-style-type: none"> <li>• Direct Subsidized and Unsubsidized Loans</li> <li>• Subsidized and Unsubsidized Federal Stafford Loans</li> <li>• all PLUS loans</li> </ul>	<p>Payments may be fixed or graduated.</p> <p>Up to 25 years</p>	<ul style="list-style-type: none"> <li>• Your monthly payments would be lower than the 10-year standard plan.</li> <li>• If you are a <ul style="list-style-type: none"> <li>○ Direct Loan borrower, you must have more than \$30,000 in outstanding Direct Loans.</li> <li>○ FFEL borrower, you must have more than \$30,000 in outstanding FFEL Program loans.</li> </ul> </li> </ul> <p>For example, if you have \$35,000 in outstanding FFEL Program loans, and \$10,000 in Direct Loans, you can use the extended repayment plan for your FFEL Program loans, but not for your Direct Loans.</p> <ul style="list-style-type: none"> <li>• For both programs, you must also be a new borrower as of Oct. 7, 1998.</li> <li>• You'll pay more for your loan over time than under the 10-year standard plan.</li> </ul>
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<p>Income-Based Repayment Plan (IBR)</p>	<ul style="list-style-type: none"> <li>• Direct Subsidized and Unsubsidized Loans</li> <li>• Subsidized and Unsubsidized Federal Stafford Loans</li> <li>• all PLUS loans made to students</li> <li>• Consolidation Loans (Direct or FFEL) that do not include Direct or FFEL PLUS loans made to parents</li> </ul>	<ul style="list-style-type: none"> <li>• Your maximum monthly payments will be 15 percent of discretionary income, the difference between your adjusted gross income and 150 percent of the poverty guideline for your family size and state of residence (other conditions apply).</li> <li>• Your payments change as your income changes.</li> </ul> <p>Up to 25 years</p>	<ul style="list-style-type: none"> <li>• You must have a partial financial hardship.</li> <li>• Your monthly payments will be lower than payments under the 10-year standard plan.</li> <li>• You'll pay more for your loan over time than you would under the 10-year standard plan.</li> <li>• If you have not repaid your loan in full after making the equivalent of 25 years of qualifying monthly payments, any outstanding balance on your loan will be forgiven.</li> <li>• You may have to pay income tax on any amount that is forgiven.</li> </ul>
<p>Pay As You Earn Repayment Plan</p>	<ul style="list-style-type: none"> <li>• Direct Subsidized and Unsubsidized Loans</li> <li>• Direct PLUS loans made to students</li> <li>• Direct Consolidation Loans that do not include (Direct or FFEL) PLUS loans made to parents</li> </ul>	<ul style="list-style-type: none"> <li>• Your maximum monthly payments will be 10 percent of discretionary income, the difference between your adjusted gross income and 150 percent of the poverty guideline for your family size and state of residence (other conditions apply).</li> <li>• Your payments change as your income changes.</li> </ul> <p>Up to 20 years</p>	<ul style="list-style-type: none"> <li>• You must be a new borrower on or after Oct. 1, 2007, and must have received a disbursement of a Direct Loan on or after Oct. 1, 2011.</li> <li>• You must have a partial financial hardship.</li> <li>• Your monthly payments will be lower than payments under the 10-year standard plan.</li> <li>• You'll pay more for your loan over time than you would under the 10-year standard plan.</li> <li>• If you have not repaid your loan in full after you made the equivalent of 20 years of qualifying monthly payments, any outstanding balance on your loan will be forgiven.</li> <li>• You may have to pay income tax on any amount that is forgiven.</li> </ul>



<p>Income-Contingent Repayment Plan</p>	<ul style="list-style-type: none"> <li>• Direct Subsidized and Unsubsidized Loans</li> <li>• Direct PLUS Loans made to students</li> <li>• Direct Consolidation Loans</li> </ul>	<ul style="list-style-type: none"> <li>• Payments are calculated each year and are based on your adjusted gross income, family size, and the total amount of your Direct Loans.</li> <li>• Your payments change as your income changes.</li> </ul> <p>Up to 25 years</p>	<ul style="list-style-type: none"> <li>• You'll pay more for your loan over time than under the 10-year standard plan.</li> <li>• If you do not repay your loan after making the equivalent of 25 years of qualifying monthly payments, the unpaid portion will be forgiven.</li> <li>• You may have to pay income tax on the amount that is forgiven.</li> </ul>
<p>Income-Sensitive Repayment Plan</p>	<ul style="list-style-type: none"> <li>• Subsidized and Unsubsidized Federal Stafford Loans</li> <li>• FFEL PLUS Loans</li> <li>• FFEL Consolidation Loans</li> </ul>	<ul style="list-style-type: none"> <li>• Your monthly payment is based on annual income.</li> <li>• Your payments change as your income changes.</li> </ul> <p>Up to 10 years</p>	<ul style="list-style-type: none"> <li>• You'll pay more for your loan over time than you would under the 10-year standard plan.</li> <li>• Each lender's formula for determining the monthly payment amount under this plan can vary.</li> </ul>

### Repay Your Federal Perkins Loan

Perkins Loan repayment plan options are not the same as those for Direct Loan Program or FFEL Program loans. Check with your school for more information on Perkins Loan repayment plans.

### Consolidate Your Loans

If you have multiple federal student loans, you can consolidate them into a single Direct Consolidation Loan. This may simplify repayment if you are currently making separate loan payments to different loan holders or servicers, as you'll only have one monthly payment to make. There may be tradeoffs, however, so you'll want to learn about the advantages and possible disadvantages of consolidation before you consolidate.

### Deferment and Forbearance

Under certain circumstances, you can receive a deferment or forbearance that allows you to temporarily postpone or reduce your federal student loan payments. Postponing or reducing your payments may help you avoid default.

You'll need to work with your loan servicer to apply for deferment or forbearance; and be sure to keep making payments on your loan until the deferment or forbearance is in place.

#### What is deferment?

A deferment is a period during which repayment of the principal and interest of your loan is temporarily delayed.

#### What happens to my loan during deferment?

During a deferment, you do not need to make payments. What's more, depending on the type of loan you have, the federal government may pay the interest on your loan during a period of deferment.

The government may pay the interest on your

- Federal Perkins Loan,
- Direct Subsidized Loan, and/or
- Subsidized Federal Stafford Loan.

The government does not pay the interest on your unsubsidized loans (or on any PLUS loans). You are responsible for paying the interest that accrues (accumulates) during the deferment period, but your payment is not due during the deferment period. If you don't pay the interest on your loan during deferment, it may be capitalized (added to your principal balance), and the amount you pay in the future will be higher.

**Am I eligible for a loan deferment?**

The following table provides situations that may make you eligible for a deferment of your federal student loan.

<b>Situations When You May Apply for Deferment</b>	<b>Deferment Available? (and for how long, if applicable)</b>		
	<b>Direct Loans</b>	<b>FFEL loans</b>	<b>Perkins Loans</b>
During a period of at least half-time enrollment in college or career school	Yes	Yes	Yes
During a period of study in an approved graduate fellowship program or in an approved rehabilitation training program for the disabled	Yes	Yes	Yes
During a period of unemployment or inability to find full-time employment	Yes (for up to 3 years)	Yes (for up to 3 years)	Yes (for up to 3 years)
During a period of economic hardship (includes Peace Corps service)	Yes (for up to 3 years)	Yes (for up to 3 years)	Yes (for up to 3 years)
During a period of service qualifying for Perkins Loan discharge/cancellation	No	No	No
During a period of active duty military service during a war, military operation, or national emergency	Yes	Yes	Yes

<p>During the 13 months following the conclusion of qualifying active duty military service, or until you return to enrollment on at least a half-time basis, whichever is earlier, if</p> <ul style="list-style-type: none"> <li>• you are a member of the National Guard or other reserve component of the U.S. armed forces and</li> <li>• you were called or ordered to active duty while enrolled at least half-time at an eligible school or within six months of having been enrolled at least half-time</li> </ul>	Yes	Yes	Yes
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If you are a Direct Loan or FFEL Program borrower who has a loan that was first disbursed (paid to you or on your behalf) before July 1, 1993, you may be eligible for additional deferments for such situations as teaching in a teacher shortage area, public service, being a working mother, parental leave, or temporary disability. For more information, contact your loan servicer.

**How do I request a deferment?**

Most deferments are not automatic, and you will likely need to submit a request to your loan servicer, the organization that handles your loan account. If you are enrolled in school at least half-time and you would like to request an in-school deferment, you'll need to contact your school's financial aid office as well as your loan servicer.

Your deferment request should be submitted to the organization to which you make your loan payments.

- Direct Loans and FFEL Program loans: contact your loan servicer
- Perkins Loans: contact the school you were attending when you received the loan

**What is forbearance?**

If you can't make your scheduled loan payments, but don't qualify for a deferment, your loan servicer may be able to grant you a forbearance. With forbearance, you may be able to stop making payments or reduce your monthly payment for up to 12 months. Interest will continue to accrue on your subsidized and unsubsidized loans (including all PLUS loans).

There are two types of forbearances:

- Discretionary
- Mandatory

**Discretionary Forbearance**

For discretionary forbearances, your lender decides whether to grant forbearance or not.

You can request a discretionary forbearance for the following reasons:

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- Financial hardship
  - Illness

### **Mandatory Forbearance**

For mandatory forbearances, if you meet the eligibility criteria for the forbearance, your lender is required to grant the forbearance.

You can request a mandatory forbearance for the following reasons:

- You are serving in a medical or dental internship or residency program, and you meet specific requirements.
- The total amount you owe each month for all the student loans you received is 20 percent or more of your total monthly gross income (additional conditions apply).
- You are serving in a national service position for which you received a national service award.
- You are performing teaching service that would qualify for teacher loan forgiveness.
- You qualify for partial repayment of your loans under the U.S. Department of Defense Student Loan Repayment Program.
- You are a member of the National Guard and have been activated by a governor, but you are not eligible for a military deferment.

### **How do I request forbearance?**

Receiving loan forbearance is not automatic. You must apply by making a request to your loan servicer. In some cases, you must provide documentation to support your request.

### **What happens to the interest on my loan during forbearance?**

Interest will continue to be charged on all loan types, including subsidized loans.

You can pay the interest during forbearance or allow the interest to accrue (accumulate). If you don't pay the interest on your loan during forbearance, it may be capitalized (added to your principal balance), and the amount you pay in the future will be higher.

You **MUST** continue making payments on your student loan until you have been notified that your request for deferment or forbearance has been granted. If you stop paying and your deferment or forbearance is not approved, you will become delinquent and you may default on your loan.

### **Do I have options besides deferment or forbearance?**

Always contact your loan servicer immediately if you are having trouble making your student loan payment. If you don't qualify for deferment or forbearance, you may be able to change your repayment plan. There may be a repayment plan that offers lower payments than you're currently making.

### **Forgiveness, Cancellation, and Discharge**

In certain situations, you can have your federal student loan forgiven, canceled, or discharged. Forgiveness, cancellation, and discharge of your loan means that you are no longer expected to repay your loan.

### **When can my federal student loans be forgiven, canceled, or discharged?**

You must repay your loans even if you don't complete your education, can't find a job related to your program of study, or are unhappy with the education you paid for with your loan. However, certain circumstances might lead to your loans being forgiven, canceled, or discharged.

The list below is a quick view of the types of forgiveness, cancellation, and discharge.

Type of Forgiveness, Cancellation, or Discharge	Direct Loans	Federal Family Education Loan (FFEL) Program Loans	Perkins Loans
Total and Permanent Disability Discharge	X	X	X
Death Discharge	X	X	X
Discharge in Bankruptcy (in rare cases)	X	X	X
Closed School Discharge	X	X	
False Certification of Student Eligibility or Unauthorized Payment Discharge	X	X	
Unpaid Refund Discharge	X	X	
Public Service Loan Forgiveness	X		
Perkins Loan Cancellation and Discharge (includes Teacher Cancellation)			X

Looking for information about the Civil Legal Assistance Attorney Student Loan Repayment Program (CLAARP)? The CLAARP application process is closed.

### **Total and Permanent Disability (TPD) Discharge**

A TPD discharge relieves you from having to repay a William D. Ford Federal Direct Loan (Direct Loan) Program loan, Federal Family Education Loan (FFEL) Program loan, and/or Federal Perkins Loan (Perkins Loan) Program loan or complete a TEACH Grant service obligation on the basis of your total and permanent disability. Before your federal student loans or TEACH Grant service obligation can be discharged, you must provide information to the U.S. Department of Education (ED) to show that you are totally and permanently disabled. ED will evaluate the information and determine if you qualify for a TPD discharge.

You can show that you are totally and permanently disabled in one of the following three ways:

1. If you are a veteran, you can submit documentation from the U.S. Department of Veterans Affairs (VA) showing that the VA has determined that you are unemployable due to a service-connected disability.
2. If you are receiving Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) benefits, you can submit a Social Security Administration (SSA) notice of award for SSDI or SSI benefits stating that your next scheduled disability review will be within five to seven years from the date of your most recent SSA disability determination.
3. You can submit certification from a physician that you are totally and permanently disabled. Your physician must certify that you are unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that
  - Can be expected to result in death,
  - Has lasted for a continuous period of not less than 60 months, or
  - Can be expected to last for a continuous period of not less than 60 months

### **Death Discharge**

If you, the borrower, die, then your federal student loans will be discharged. If you are a parent PLUS loan borrower, then the loan may be discharged if you die, or if the student on whose behalf you obtained the loan dies.

The loan will be discharged if a family member or other representative provides a certified copy of the death certificate to the school (for a Federal Perkins Loan) or to the loan servicer (for a Direct Loan or FFEL Program loan). For more information, contact your loan servicer.

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## Discharge in Bankruptcy

This is not an automatic process—you must prove to the bankruptcy court that repaying your student loan would cause undue hardship.

If you file Chapter 7 or Chapter 13 bankruptcy, you may have your loan discharged in bankruptcy only if the bankruptcy court finds that repayment would impose undue hardship on you and your dependents. This must be decided in an adversary proceeding in bankruptcy court. Your creditors may be present to challenge the request. The court uses this three-part test to determine hardship:

- If you are forced to repay the loan, you would not be able to maintain a minimal standard of living.
- There is evidence that this hardship will continue for a significant portion of the loan repayment period.
- You made good-faith efforts to repay the loan before filing bankruptcy (usually this means you have been in repayment for a minimum of five years).

Your loan will not be discharged if you are unable to satisfy any one of the three requirements. If your loan is discharged, you will not have to repay any portion of your loan, and all collection activity will stop. You also will regain eligibility for federal student aid if you had previously lost it.

## Closed School Discharge

You may be eligible for discharge of your Direct Loans and FFEL Program loans under either of these circumstances:

- Your school closes while you're enrolled, and you do not complete your program because of the closure. Any federal student loan obtained to pay your cost of attendance at that school could be discharged. If you were on an approved leave of absence, you are considered to have been enrolled at the school.
- Your school closes within 90 days after you withdraw.

You are not eligible for discharge of your Direct Loans or FFEL Program loans if your school closes and any of the following is true:

- You withdraw more than 90 days before the school closes.
- You are completing a comparable educational program at another school. If you complete such a program at another school after your loan is discharged, you might have to pay back the amount of the discharge.
- You have completed all the coursework for the program, but you have not received a diploma or certificate.

To receive a closed school discharge application, contact your loan servicer.

For answers to questions about your closed school, call the appropriate person on the list of [Closed School Customer Service Contacts](#).

You might need your academic records if you plan to attend another school and want to have your coursework at the closed school taken into consideration. So it will be important for you to obtain your academic and financial aid records if your school closes. Contact the state licensing agency in the state in which the school was located to ask whether the state made arrangements to keep the records. The records might also be useful in substantiating your claim for a loan discharge.

## False Certification of Student Eligibility or Unauthorized Payment Discharge

You may be eligible for a discharge of your Direct Loan or FFEL Program loan in these circumstances:

- Your school falsely certified your eligibility to receive the loan based on your ability to benefit from its training, and you did not meet the ability to benefit student eligibility requirements.

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- The school signed your name on the application or promissory note without your authorization or the school endorsed your loan check or signed your authorization for electronic funds transfer without your knowledge, unless the proceeds of the loan were delivered to you or applied to charges owed by you to the school.
  - Your loan was falsely certified because you were a victim of identity theft.
  - The school certified your eligibility, but because of a physical or mental condition, age, criminal record, or other reason you are disqualified from employment in the occupation in which you were being trained.

### **Teacher Loan Forgiveness**

If you are a teacher and also a new borrower (i.e., you did not have an outstanding balance on a Direct Loan or FFEL Program loan on Oct. 1, 1998, or on the date you obtained a Direct Loan or FFEL Program loan after Oct. 1, 1998) and have been teaching full-time in a low-income elementary or secondary school or educational service agency for five consecutive years, you may be able to have as much as \$17,500 of your subsidized or unsubsidized loans forgiven. Your PLUS loans cannot be included. For more information, go to Teacher Loan Forgiveness. If you have a Federal Perkins Loan, see Perkins Loan Cancellation for teacher cancellation in that loan program.

### **Public Service Loan Forgiveness**

If you are employed in certain public service jobs and have made 120 payments on your Direct Loans (after Oct. 1, 2007), the remaining balance that you owe may be forgiven. Only payments made under certain repayment plans may be counted toward the required 120 payments. You must not be in default on the loans that are forgiven.

### **Perkins Loan Cancellation and Discharge**

The following Federal Perkins Loan Program cancellations apply to individuals who perform certain types of public service or are employed in certain occupations.

For each complete year of service, a percentage of the loan may be canceled. The total percentage of the loan that can be canceled depends on the type of service performed. Depending on the type of loan you have, and when that loan was taken out, you may be eligible to cancel part of or your entire loan if you have served as one of the following:

- Volunteer in the Peace Corps or ACTION program (including VISTA)
- Teacher
- Member of the U.S. armed forces (serving in area of hostilities)
- Nurse or medical technician
- Law enforcement or corrections officer
- Head Start worker
- Child or family services worker
- Professional provider of early intervention services

There is no standard application form for Perkins Loan cancellations. Contact the school that you were attending when you received the loan.

### **How do I find out if I qualify and how do I apply to have my loan forgiven, canceled, or discharged?**

After reviewing the conditions, if you think you qualify, contact your loan servicer. If you have a Federal Perkins Loan, you must apply to the school that made the loan or contact the loan servicer the school has designated.

Certain types of cancellations are available to military personnel, teachers, nurses, child care providers, or borrowers affected by the closure of a school. Provisions differ depending on the type of loan you have. You can view your loan information including the types of loans you have and your loan servicer at the [National Student Loan Data System](#) (NSLDS®).

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## **Do I need to make payments while my discharge application is being reviewed?**

Yes. Until you hear whether your discharge has been approved, you should continue making payments on your loan to prevent it from going into default or accruing (accumulating) additional interest. However, note the following:

If you have a Direct Subsidized Loan, Direct Unsubsidized Loan, Federal Subsidized Stafford Loan, or Federal Unsubsidized Stafford Loan, you can be granted forbearance. Your loan servicer should grant forbearance until a decision is made on your application. If forbearance is granted, no one is permitted to collect on your loan until it is determined whether you are eligible for a loan discharge.

If you have a Federal Perkins Loan, schools automatically defer your loans if you are performing service (such as teaching in a low-income school) that will qualify you for loan cancellation. Check with your school for details.

## **What happens if my loan discharge is approved?**

If you qualify for a complete discharge of your loan, you are no longer obligated to make loan payments. Depending on the type of loan discharge program for which you may be eligible, the U.S. Department of Education may be required to refund to you some or all of the payments you made on the loan. In addition, any adverse credit record related to a default might be deleted, and no tax refund offset or wage garnishment will take place to collect on the discharged loan. If the loan was in default, the discharge may erase the default status. If you have no other defaulted loans, you regain eligibility for federal student aid.

Note: In some cases, your school might be required to refund a portion of a Direct Loan or FFEL Program loan to the U.S. Department of Education (for example, you withdrew from school within a timeframe that required a refund of loan funds). If your school fails to make that refund, that portion of your loan will be canceled, but you will be responsible for paying any remaining amount.

## **What happens if my loan discharge is denied?**

For most discharges, the final decision on whether to discharge the loan cannot be appealed. The two exceptions are false certification and forged signature discharges. If you receive these types of discharges, you may ask the U.S. Department of Education to review the denial.

If your loan discharge is denied, you remain responsible for repaying the loan. Talk to your loan servicer about repayment options if you have a Direct Loan or FFEL Program loan. Check out repayment options.

If your school has closed, you should also explore the following options if your discharge application is denied:

- Contact the state licensing agency and ask if there is a tuition recovery fund or performance bond that will cover your damages based on the school closure.
- If the school filed bankruptcy, you should file a claim for your loss in the bankruptcy proceeding. You also might want to consult an attorney about any options you may have through the court system.

## **Common Questions**

The following are some common questions about loan forgiveness, cancellation, or discharge.

I was very young when I borrowed this money. Do I still have to pay?

Yes. The fact that you didn't fully understand the implications of getting a loan, or the fact that it's been many years since you signed for the loan, does not mean that you do not have to pay.

I signed the Master Promissory Note but I didn't attend class. Do I still have to pay?



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If you received the proceeds of a loan but never attended classes, you are obligated to return the funds immediately. Your school will return any funds that it received and applied to your account. If you do not return the funds that you directly received, your loan will be placed in default.

I'm a parent that took a PLUS loan to help pay for my child's education. Can my loan ever be forgiven, canceled, or discharged?

You must repay your parent PLUS loan even if the student doesn't complete his or her education or can't find a job related to the program of study, or if you or the student is unhappy with the education. However, the loan may be discharged if the child for whom you borrowed dies, or if you die or become totally and permanently disabled.

They may discharge some or your entire loan in any of these circumstances:

- The school closed before the student completed the program.
- The school forged the signature on your promissory note or falsely certified that you were eligible for aid.
- The loan was falsely certified through identity theft.
- The student withdrew from school but the school didn't pay a refund that it owed. Check with the school to see how refund policies apply to federal aid at the school.
- The loan was discharged in bankruptcy claim. This is not an automatic process—you must prove to the bankruptcy court that repaying the loan would cause undue hardship.

Contact your loan servicer for more information. If you don't know who your loan servicer is, visit [NSLDS](#)

### **Understanding Default**

If you don't make your loan payments, you risk going into default. Defaulting on your loan has serious consequences. Your school, the financial institution that made or owns your loan, your loan guarantor, and the federal government all can take action to recover the money you owe. Understand how missing a loan payment can be a problem, what default means and the consequences of default, and what you need to do if your loan is in default or if you think the default on your loan is an error.

#### **What is default?**

To default means you failed to make your payments on your student loan as scheduled according to the terms of your promissory note, the binding legal document you signed at the time you took out your loan.

#### **How is missing a payment a problem?**

Your loan becomes delinquent the first day after you miss a payment. The delinquency will continue until all payments are made to bring your loan current. Loan servicers report all delinquencies of at least 90 days to the three major credit bureaus. A negative credit rating may make it difficult for you to borrow money to buy a car or a house (you will be charged much higher interest rates). You also may have trouble

- Signing up for utilities,
- Getting home owner's insurance,
- Getting a cell phone plan, or
- Getting approval to rent an apartment (credit checks usually are required for renters)

It is important to begin repaying as soon as you receive a bill. Keep track of your student loan and learn how to manage your loan repayments.

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## **How do I avoid default?**

If you are having trouble making payments on a loan from the William D. Ford Federal Direct Loan Program or the Federal Family Education Loan (FFEL) Program, immediately contact your loan servicer, the agency that handles the billing and other services for your loan.

If you are having trouble making payments on your Federal Perkins Loan, immediately contact the school where you received your loan.

Whether your loans are delinquent now or not, you should read our tips to help you avoid default.

## **If I don't make my loan payments, when is my loan considered to be in default?**

If you repay your loan

- Monthly, default occurs when you fail to make a payment for 270 days.
- Less than once a month, default occurs when you fail to make a payment for 330 days (this applies only to FFEL Program loans).

## **What should I do if my loan is in default?**

If you have defaulted on any of your federal student loans, take the following steps:

- Contact the agency that is billing you.
  - Explain your situation fully.
  - Ask them what options are available to get out of default.
  - Ask them to work with you.
- Always stay in touch with your lender, loan servicer, or collection agency.

## **What are the consequences of default?**

The consequences of default can be severe:

- The entire unpaid balance of your loan and any interest is immediately due and payable.
- You lose eligibility for deferment, forbearance, and repayment plans.
- You lose eligibility for additional federal student aid.
- Your loan account is assigned to a collection agency.
- The loan will be reported as delinquent to credit bureaus, damaging your credit rating. This will affect your ability to buy a car or house or to get a credit card.
- Your federal and state taxes may be withheld through a tax offset. This means that the Internal Revenue Service can take your federal and state tax refund to collect any of your defaulted student loan debt.
- Your student loan debt will increase because of the late fees, additional interest, court costs, collection fees, attorney's fees, and any other costs associated with the collection process.
- Your employer (at the request of the federal government) can withhold money from your pay and send the money to the government. This process is called wage garnishment.
- The loan holder can take legal action against you, and you may not be able to purchase or sell assets such as real estate.
- Federal employees face the possibility of having 15% of their disposable pay offset by their employer toward repayment of their loan through Federal Salary Offset.
- It will take years to reestablish your credit and recover from default.

## **What if my loans are in default, but I think it's an error?**

If you believe your loan has been placed in default by mistake, you may be able to correct the error. Here's what you should do if one of the following is true.

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IF: You've been attending school on at least a half-time basis.

THEN: Contact your school's registrar to get a record of all your dates of at least half-time attendance. Contact each school you have attended since you received your loan so your documentation is complete. Ask your loan servicer for the last date of attendance they have on file for you. If they have the incorrect date for your last date of attendance, provide your loan servicer with a copy of your documentation showing the correct date.

IF: You have a deferment or forbearance.

THEN: Ask your loan servicer to confirm the start and end dates of any deferments and forbearances that have been applied to your loan account. If the loan servicer has incorrect information, provide documentation with correct information.

IF: You believe you've made payments that weren't credited to your account.

THEN: Ask your loan servicer for a statement that shows all payments made on your student loan account. If payments you made are not listed, provide proof of payment to your loan servicer and request that the information in your account be corrected.

### **Resolving Disputes**

Below are some steps you can take to resolve your loan dispute. You should first identify your loan problem, and then contact your loan servicer.

#### **Identify Your Loan Problem**

Use the following list of common problems to help you identify exactly what type of problem you are having with your loan and what you should do to prepare to solve it.

IF: You believe you've made all of your payments on time, but it looks like your account balance might be wrong.

THEN: Check your payment history, gather the documents necessary to show what payments you've made, and contact your loan servicer to find out how to submit the proof.

IF: You believe you've made all of your payments on time, but your loan is in default.

THEN: Gather the documents necessary to prove that your payments were made on time, and contact your loan servicer to find out how to submit your proof.

IF: You believe your loan servicer has reported inaccurate information to the credit bureaus.

THEN: File a consumer dispute with the bureaus. Contact the three national credit bureaus in writing to tell them what information you believe is inaccurate:

- [Equifax](#)
- [Experian](#)
- [TransUnion](#)

IF: You completed bankruptcy but are still getting loan repayment bills.

THEN: It is unlikely that you are eligible to have your loan discharged through bankruptcy. If you filed for bankruptcy after October 7, 1998, your loan cannot automatically be discharged. Find out what happens to your federal student loans when you declare bankruptcy.

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IF: You are not the person listed in the loan records.

THEN: You will need to provide proof of your identity. Contact your loan servicer to find out what documents are needed and how you should present them.

### **Contact Your Loan Servicer**

You've identified your problem and are ready to contact your loan servicer. To deal effectively with your loan servicer, keep in mind the tips below.

- Keep careful notes of all conversations you have. Follow up in writing so you have a physical record of what has been said and done.
- Request a copy of your customer service history; some loan servicers make available copies of the notes that customer service representatives make on your account.
- When you speak with someone on the phone, make a note of whom you speak to and when, and what was said. When you use mail, keep a copy of your letter and of any replies you receive.
- Save the originals of all receipts, bills, letters, and e-mails regarding your account. Provide copies of the originals if you are asked for them. Send letters via certified mail, with a return receipt requested.
- Don't let the emotion of the moment get to you. If you are not getting a proper response to your questions, calmly explain again what information or resolution you are seeking.
- Be polite and courteous, but don't be afraid to give the detail of any incident and to state your concerns. Write down the facts in the order they took place and stick to what is relevant. Include important details such as your account number at the top of your letter.
- Ask for a response in a reasonable time, and be sure to tell the customer service representative how you can be reached.

Problem not solved? Complete the [Self-Resolution Checklist](#) to assure yourself that you have done everything you can. If you are still not satisfied, you might wish to contact the Federal Student Aid Ombudsman Group to help you resolve your dispute. Contact the Ombudsman Group only as a last resort; and first, be sure to get prepared before seeking help.

## Looking for Student Aid

The largest source of student aid in the United States comes from the Federal Student Aid (FSA) programs. These programs provide more than \$142 billion a year in grants, loans and work-study assistance (more on these programs later in this publication).

When looking for student aid, make sure you look at all available sources including Federal and State.

### Should you pay someone to help you find or apply for student financial aid?

The quick answer is no. Free help is available, whether you're looking for sources of student aid or completing the Free Application for Federal Student Aid (FAFSA). If there's a fee involved, be sure you know what you're paying for.

### Where can you get free information about student aid?

The following sources usually have information about aid from the federal government and your state government; most can tell you about funds from your local community and private sources as well.

- A college or career school financial aid office. Talk to the financial aid administrator at the school you plan to attend. Be sure to ask about "institutional aid" – money the school itself awards students. The school's catalog or Web site is also a good source of information about aid available at the school.
- A local or college library. Relevant materials are usually listed under "student aid" or "financial aid." If you need help, ask the reference librarian.
- The Internet. Search using the key words "student aid" or "financial aid." Remember that many scams operate over the Internet, so if an Internet service charges a fee, research it carefully. Better yet, use one of the many free Internet search services or aid information sites including [www.studentaid.ed.gov](http://www.studentaid.ed.gov)
- A high school counselor's office. Many counselors have a large selection of materials, know what recent graduates have received, and can guide you to free online information.

The major source of student financial aid is the U.S. Department of Education. During the 2009-2010 award year; Federal Student Aid delivered or supported the delivery of approximately \$142 billion in grant, work-study, and loan assistance to almost 12.8 million postsecondary students and their families. These students attended approximately 6,200 active institutions of postsecondary education accredited by dozens of agencies. Students received loans from approximately 2,900 lenders with 33 agencies.

Free materials are available in the financial aid office at your college or career school or the guidance office at your high school includes the Free Application for Federal Student Aid (FAFSA).

Federal Student Aid Information Center (FSAIC):  
1-800-4-FED-AID (1-800-433-3243)  
(TTY 1-800-730-8913)

Most federal student aid is awarded based on financial need rather than scholastic achievement. For instance, most grants are targeted at low-income students. However, you do not have to show financial need to receive certain federal student loans.

You may apply for federal student aid at no cost by filing a paper FAFSA or applying electronically with FAFSA on the Web, the online application for federal student aid. All you need for FAFSA on the Web is a computer that supports a Department-approved browser. FAFSA on the Web is at [www.fafsa.ed.gov](http://www.fafsa.ed.gov).

### Who else awards aid to students?

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Some sources of aid are obscure. Organizations which might have money to give students include unions, clubs, lodges, foundations, and professional organizations. Most high school guidance offices know what scholarships have been obtained by students. Contacting them is a good way to find help. Student aid may also be available from foundations, community organizations, and organizations related to your field of interest (for example, the American Medical Association or American Bar Association). Contact the organizations directly for detailed information. Check with your parents' employers to see whether they award scholarships or have tuition payment plans. Although funds from these sources make up a small percentage of the total aid awarded each year, it's worth doing the research – you never know what you might find.

### **Free Resources of Student Financial Aid Information:**

- the financial aid office at your college or career school
- a high school counselor
- the U.S. Department of Education
- other federal agencies (including the military, if appropriate)
- your state education agency
- the reference section of your school or public library
- the Internet
- foundations, religious organizations, community organizations, local businesses, and civic groups
- organizations (including professional associations) related to your field of interest
- ethnicity-based organizations
- your employer or your parents' employers
- free scholarship search services

### **Scholarship Search Services: A Warning**

A number of privately operated scholarship search services charge fees that can range from \$50 to well over \$1000. We do not recommend them. They provide no information that you can find on your own. However, if you are determined to use one of these services, it is important to understand what information scholarship search services can provide. Some can be helpful in identifying sources of aid for students who meet certain criteria, such as academic achievement, religious affiliation, ethnic or racial heritage, artistic talents, athletic ability, career plans, or proposed field of study. *However, bear in mind that funds from these sources are usually limited and not all applicants will receive awards. And remember that they have no special access to information that anyone cannot get on their own.*

Listed below are some of the services you might reasonably expect from a private scholarship search service:

- Most scholarship search services provide a list of sources of financial assistance you may apply for. After studying the list, you then send a separate application to each source that interests you. The scholarship search service does not apply on your behalf or pay any additional application fees that may be required.
- Many search services offer to refund your fee if you do not receive any award. However, some services require you to provide a rejection letter from every source on the list to claim your refund. You should be aware that many scholarship sources do not routinely send rejection letters. Make sure you get the scholarship search service's refund policy in writing before paying any money. Note that the "money back guarantee" is meaningless as virtually everyone is eligible for some kind of scholarship.

### **What are some questionable tactics you should watch out for?**

- Some services will tell you that millions – or even billions -- of dollars in student aid go unclaimed every year. This is false or at minimum highly misleading. The large figures you may hear or read about usually represent an estimated national total of employee benefits or member benefits. Usually, such benefits are available only to a highly limited number of people, e.g., the employees (and their families) of a specific company, or to the members of a specific union or other organization.
- Some claim that you can't get the same information anywhere else. This is absolutely false. Many services make you pay to get information you could have easily obtained for free from a college financial aid office, state education agency, local library, the U.S. Department of Education, or the Internet. Remember that you

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can find out about student aid without paying a fee to a search service. A single \$15 book will spell out more opportunities than you will feel like applying for.

- Others request your credit card or bank account number to hold student financial aid for you. This is a rip off. Search services do not provide any awards directly to applicants, apply on behalf of applicants, or act as a disbursing agent for financial aid providers. You should never give out a credit card or bank account number unless you know the company or organization you are giving it to is legitimate, and we have yet to encounter one that is.
- Others try to get you to send them money by claiming that you are a finalist in a scholarship contest. Most sources of financial aid have application deadlines and eligibility criteria; they do not operate like a sweepstakes. Don't waste your money on these scams.
- Scholarship seminars frequently end with one-on-one meetings in which a salesperson pressures the student to "buy now or lose out on this opportunity." Legitimate services don't use such pressure tactics. You are much better off not attending such seminars and subjecting yourself to high pressure sales.

Each year, the U.S. Department of Education receives numerous complaints from students and parents who did not receive the information they expected from a search service. The Department does not evaluate private scholarship search services. If you decide to use one of these services, you should check its reputation by contacting the Better Business Bureau ([www.bbb.com](http://www.bbb.com)), a school guidance counselor, or a state attorney general's office.

Additionally, investigate the organization yourself before making a commitment:

- Ask for names of three or four local families who have used its services recently.
- Ask how many students have used the service and how many of them received scholarships as a result.
- Find out about the service's refund policy.
- Get everything in writing.
- Read all the fine print before signing anything.
- Best of all, simply do the research yourself

The Scholarship Fraud Prevention Act created a fraud-awareness partnership between the U.S. Department of Education and the Federal Trade Commission (FTC). For more information about scholarship scams or to report a scam, call the FTC toll free at 1-877-FTC-HELP (1-877-382-4357) or go to <http://www.ftc.gov/opa/1999/10/anthonytest.shtm>.

Most of the information private scholarship search services provide can be obtained for free elsewhere. Before you pay any company or organization to find student financial aid for you, make sure you're not paying for free information. Also make sure you know what you're getting for your money. Searching for student aid on your own can prevent you from wasting your money. You just need to know where to look.

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## The Self-Awarded Scholarship

There is another kind of scholarship, a guaranteed way to cut the costs of college, a form of financial help that you award yourself. The best scholarship is the one you give yourself by racing through the college degree in three or fewer years instead of the usual four years. Not only could such an accelerated program mean a 25% discount on a college education – a full year of not going to classes and paying tuition – it also gets you into the work force a year sooner, a full year of earning good money as a college graduate, instead of grinding through college courses.

Many students have found that universities which offer online programs allow them to speed through courses in less than the usual time. The online option is one you may want to consider.

### What You Should Know About Online Education

If you are an active duty military service member, perhaps serving aboard a U.S. Navy ship, deployed overseas, or on a Coast Guard cutter, it may seem to you that you just don't have a chance to pursue a college degree. However, today, online education puts that degree within reach. Distance education represents an excellent way for service members to earn a college degree while serving their country. Online instruction and academic programs are designed specifically to offer the flexibility necessary to fit with the busy duty schedules of active duty members of the military.

Right now, thousands of duty standing and deployed service members are earning their college degrees using online education. Many of them - while serving on active duty - manage to earn college credit just as fast as they would if they attended school full time on campus! The great part about online education is that you can make it fit your schedule

### What Online Education Is Like

In many ways, online courses are just like traditional ones. They use the same format, with a professor, textbooks, homework, quizzes, exams, etc.

However, online courses are much more flexible. They also offer communication opportunities that traditional courses lack. Besides textbooks, online courses usually offer a mix of message boards, email, chat rooms, CDROMs and online access to other study materials. Typically, the online professor posts a weekly reading assignment, along with questions to guide study. Students are required to post responses to the study questions and engage with other students' postings sometime during the week. While most online courses have weekly deadlines, just when you meet the week's requirements is entirely up to you.

Just as in a traditional college course, success depends on commitment. You don't need to be brilliant. You do need to be motivated. Probably the best advice we can offer is to hit the ground running. There's an old saying that a job well begun is half done.

Work especially hard when you first start and build up a good lead. Give yourself the experience of early success and you will find that this leads on to further success. One more great tip; tell your friends what you're doing. This increases your level of commitment.

### Are Online College Course Valid?

Absolutely! While there are worthless "diploma mills," you need to make sure to avoid, many prestigious fully accredited schools offer courses online. These include universities like Penn State, Phoenix University, the University of Maryland and Grantham University, to name a few.

Your best bet is to find a military friendly school. Every school has its own culture. There are a number of questions you should ask when choosing the right school and program for you:



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- Does Military Tuition Assistance or the MGIB cover all or most of the tuition costs?
  - Does the school grant academic credit for military training as recommended by the American Council on Education (ACE)?
  - Does the media (CDRom, email, Internet, etc) fit your needs and abilities?
  - Does the school have the degree program that fits your education goals?

So if you think "online" may be the best fit for you, we encourage you to begin looking for the school that meets your needs. Schools usually have free information packets they will mail you with answers to the questions above, more on tuition costs, and an application. With no obligation or cost, learning about different schools is a great way to take the first step.

Choosing an institution to continue your education can be intimidating. Several factors must be taken into consideration. Do they offer the degree I want; how much of the tuition will be covered by tuition assistance; will the classes be well presented; how will the program fit into my schedule; and will my ACE (college credit for military experience), CLEP testing, and other college credits transfer into this program?

Identifying those institutions that provide the best value for military members can be a daunting task. Often the value is lost in the sales pitch. It is discouraging to get spam announcing a new GI Bill benefit, only to find it is bait to get your email address and other pertinent information to generate even more spam.

Service members have several layers of assistance. First and foremost is the advice of their Education Services Officers (ESO). ESOs have experience with a wide variety of schools and know what programs work and those that do not work well with service members. In addition the Servicemembers Opportunity Colleges (SOC) and the DANTES Catalog provide great information on schools.

## Free Student Aid Information and Sources

Check out these other great resources for federal or non-federal student aid:

- **Financial Aid Administrator**  
Talk to the aid administrator at each school you're interested in to find out about the school's aid programs and total cost of attendance.
- **State Higher Education Agency**  
This agency in your home state can give you information about state aid—including aid from the Leveraging Educational Assistance Partnership (LEAP) Program, funded jointly by states and by us.
- **Public Libraries/Internet**  
These are excellent sources of information on state and private forms of aid. When using either source, search using keywords like "financial aid," "student aid," "scholarships," etc.
- **AmeriCorps**  
This program provides full-time educational awards in return for work in community service. You can work before, during, or after your postsecondary education, and you can use the funds either to pay current educational expenses or to repay federal student loans. For more information, call 1-800-942-2677. The TTY number is 1-800-833-3722. Information is also available at <http://www.nationalservice.gov/programs/americorps>
- **Robert C. Byrd Honors Scholarship Program (Byrd Program)**  
To receive aid, you must demonstrate outstanding academic achievement and show promise of continued academic excellence. For more information, call our toll-free number: 1-800-4-FED-AID (1-800-433-3243) or visit [www.ed.gov/programs/idadesbyrd/index.html](http://www.ed.gov/programs/idadesbyrd/index.html).
- **Companies and Labor Unions**  
Check with your parents' places of work. They might have programs to help pay the cost of postsecondary education for employees and their children.
- **Organizations, Foundations, Etc.**  
Foundations, religious organizations, fraternities or sororities, and town or city clubs often offer financial assistance. Include in your search community organizations and civic groups such as the American Legion, YMCA, 4-H Club, Elks, Kiwanis, Jaycees, and the Girl or Boy Scouts. Organizations connected with your field of interest can be helpful—for example, the American Medical Association and the American Bar Association are good sources for students seeking specialization in those fields.
- **U.S. Armed Forces**  
The Armed Forces also offer financial aid opportunities. For more information on recruitment incentives, visit the U.S. Department of Defense DefenseLink Web site at [www.todaymilitary.com](http://www.todaymilitary.com). Click on "Benefits" at the top of the site. Then go to "Education Support." You can also contact your local recruiter.
- **U.S. Department of Veterans Affairs**  
If you (or your spouse) are a veteran or you're the dependent of a veteran, veterans' educational benefits may be available. Information is also available through the Internet at [www.gibill.va.gov](http://www.gibill.va.gov) or call 1-888-GIBILL-1 (1-888-442-4551).
- **Internal Revenue Service (IRS)**  
The IRS offers two federal income tax credits (dollar-for-dollar reductions in tax liability) for higher education expenses.
  - The American Opportunity Tax Credit modifies the existing Hope Credit.
    - Update May 31, 2013 — This page has been updated to reflect the fact that the American Opportunity Tax Credit, which was to expire at the end of 2012, was extended through December 2017 by the American Taxpayer Relief Act of 2012.
    - Update November 9, 2011 — This page has been updated to reflect the fact that the American Opportunity Tax Credit, which was to expire at the end of 2010, was extended for an additional two years through December 2012 by the Tax Relief and Job Creation Act of 2010.
    - Under the American Recovery and Reinvestment Act (ARRA), more parents and students will qualify for the American Opportunity Tax Credit to help pay for college expenses.

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- The American Opportunity Tax Credit modifies the existing Hope Credit. The AOTC makes the Hope Credit available to a broader range of taxpayers, including many with higher incomes and those who owe no tax. It also adds required course materials to the list of qualifying expenses and allows the credit to be claimed for four post-secondary education years instead of two. Many of those eligible will qualify for the maximum annual credit of \$2,500 per student.
  - The full credit is available to individuals whose modified adjusted gross income is \$80,000 or less, or \$160,000 or less for married couples filing a joint return. The credit is phased out for taxpayers with incomes above these levels. These income limits are higher than under the existing Hope and Lifetime Learning Credits.
  - The AOTC applied to tax years 2009 and 2010 under ARRA. The credit was extended to apply for tax years 2011 and 2012 by the Tax Relief and Job Creation Act of 2010. The American Taxpayer Relief Act of 2012 extended the AOTC for five years through December 2017.
  - The Lifetime Learning tax credit is a tax benefit up to \$2,000 per student per year. There is no limit on the number of years that the Lifetime Learning tax credit can be claimed for each student. The credit can be used for virtually any postsecondary education and training, including graduate and professional schools, and even for less-than-half-time study

For more information on the Hope and Lifetime Learning tax credits, and other tax benefits for postsecondary students, go to [www.irs.gov](http://www.irs.gov). IRS Publication 970, Tax Benefits for Higher Education, which explains these credits and other tax benefits, is available online. Or, call the IRS at 1-800-829-1040. TTY callers can call 1-800-829-4059.

## Using Books

While this handbook contains information on many sources of scholarship, no one book can possibly include all sources of help. Use multiple sources. Nearly every public library has a scholarship section in their reference room. Also, many high schools and colleges have scholarship databases that you can search through.

## Additional Sites to Search

- U.S. Department of Education: <http://www.ed.gov/>
- Federal Student Aid: <http://www.fafsa.ed.gov/>
- Fastweb– Scholarship Search: [www.fastweb.com](http://www.fastweb.com)
- Scholarships.com: [www.scholarships.com](http://www.scholarships.com)
- Military.com Scholarship Finder: <http://aid.military.com/scholarship/search-for-scholarships.do>