

TYPES OF FINANCIAL AID

Types of Financial Aid

Federal and State Grants

Grant money is gift aid. It does not need to be repaid. Funds can be received either from the Federal Department of Education or the State Higher Education Aids Board. For a detailed list please go to our [Types of Aid \(https://www.morainepark.edu/pay-for-college/financial-aid/types-of-financial-aid/\)](https://www.morainepark.edu/pay-for-college/financial-aid/types-of-financial-aid/) page.

Federal and State Loans

Loans are funding you must repay. This type of aid is considered self-funding and while you do receive this from the Federal Department of Aid, you must repay these loans and it ultimately comes from your pocket. To review a general overview of each type of loan and to make informed decisions, go to our [Types of Aid \(https://www.morainepark.edu/pay-for-college/financial-aid/types-of-financial-aid/\)](https://www.morainepark.edu/pay-for-college/financial-aid/types-of-financial-aid/) page and scroll down to the loan information. You may also visit the [Federal Department of Education \(https://studentaid.gov/\)](https://studentaid.gov/) site to review all [federal loan types \(https://studentaid.gov/understand-aid/types/loans/\)](https://studentaid.gov/understand-aid/types/loans/) to better understand all details and requirements.

****IMPORTANT LOAN INFORMATION****

First-Time Direct Loan Borrowers

First-time, first-year loan borrowers are required to be in school 30 days before receiving their first loan disbursement.

Subsidized Loans:

Subsidized loans are borrowed money but do not have interest while you attend school; the U.S. Department of Education will pay the interest on your behalf while you are in school and during authorized periods of deferment. Subsidized loan interest is fixed annually. Yearly Loan Limits: First year \$3,500; second year \$4,500.

IMPORTANT: If you believe you are a second-year student (you are enrolled in a two-year technical diploma or an associate of applied science degree program and have completed more than 30 credits), please contact the Financial Aid Office to request a review of your federal loan limits.

Unsubsidized Loans:

Unsubsidized loans are borrowed money. You are responsible for paying the interest from the date of disbursement until the loan is paid in full. If you choose not to pay the interest on the unsubsidized loan while you are in school, the interest will accrue from the time of disbursement. Interest can be paid periodically or can accrue and will be capitalized (added to the principal amount of the loan). Unsubsidized interest is fixed annually. Amounts vary from: First year \$5,500; second year \$6,500 (less your Subsidized Federal Direct Loan eligibility).

An additional Unsubsidized Federal Direct Loan may be available in addition to your initial financial aid offer. If you feel you need an additional loan to attend Moraine Park, complete the Additional Loan Request form available on the [Financial Aid Forms \(https://www.morainepark.edu/pay-for-college/financial-aid/financial-aid-forms/\)](https://www.morainepark.edu/pay-for-college/financial-aid/financial-aid-forms/). Loans must be paid out equally over your semesters so any additional loan you request will be split half for fall and half for spring, unless you indicate you would like it for spring semester only.