

Louisiana Believes

Introduction to Financial Aid

What is Financial Aid?

- It is important to provide students with options as they pursue post-secondary education and/or training.
- **Financial aid** is any federal, state, institutional, nonprofit or private funds that help pay for postsecondary education. Some aid needs to be paid back, some is earned, and some aid is a gift. In order to receive assistance, the FAFSA must be completed.
- **FAFSA (Free Application for Student Financial Aid)** is the application completed every year by students and parents who are applying for any type of federal and/or state financial aid.

Types of Aid

- **Merit-based aid** is aid received based on a student's skill or ability.
- **Need-based aid** is aid received based on a student's financial need.
- A student may receive both merit-based and need-based aid.

- **Scholarships** are money awarded to students based on academic or other achievements that help pay for the cost of school/training. In most cases they do not need to be repaid.

- **Grants** are financial aid, often based on financial need, that help pay for the cost of school/training. In most cases they do not need to be repaid.

- **Student loans** are loans taken out to pay for educational expenses. They have to be repaid or have specific conditions met to nullify.

Taylor Opportunity Program for Students Grant (TOPS)

- **TOPS Honors Award** - minimum 3.0 GPA, 19.0 Core Units, minimum ACT score of 27, must enroll full-time, be a U.S. Citizen and meet the TOPS Louisiana Residency requirements
- **TOPS Performance Award** - minimum 3.0 GPA, 19.0 Core Units, minimum ACT score of 23, must enroll full-time, be a U.S. Citizen and meet the TOPS Louisiana Residency requirements
- **TOPS Opportunity Award** - minimum 2.5 GPA, 19.0 Core Units, minimum ACT score of 20, must enroll full-time, be a U.S. Citizen and meet the TOPS Louisiana Residency requirements
- **TOPS Tech Award** - minimum 2.5 GPA, 17.0 tech units for option 1, 19.0 tech units for option 2, minimum ACT score of 17, must enroll full-time, be a U.S. Citizen and meet the TOPS Louisiana Residency requirements

Types of Student Loans

Student loans must be paid back.

- **Direct Subsidized Loan** is a federal financial need based loan made by the U. S. Department of Education in which the federal government pays the interest on the loan while a borrower is in-school.
- **Direct Unsubsidized Loan** is a federal loan made by the U. S. Department of Education for which the borrower is fully responsible for paying the interest on the loan regardless of the loan status. The interest on this loan accrues from the date of disbursement and continues throughout the life of the loan.
- **Direct Plus Loan (Parent Plus Loan)** is a loan made by the U.S. Department of Education to a graduate or professional student and/or parents of a dependent undergraduate student. The borrower is fully responsible for paying the interest regardless of the loan status. A credit check is associated with this loan and a co-signer may be necessary.
- **Private Loan** is a nonfederal loan made by a lender such as a bank, credit union, state agency, or a school. A credit check is associated with this loan and a co-signer may be necessary. The interest on this loan is higher than a federal direct loan with a variable rate that changes over time.