TYPES OF FINANCIAL AID

Scholarships
University of Alabama scholarships can be reviewed online at scholarships.ua.edu or requested by contacting The University of Alabama, Scholarships, Box 870132, Tuscaloosa, AL 35487-0132; (205) 348-5666 or 1-800-933-BAMA; email scholarships@ua.edu.

Grants
A grant is gift aid that does not have to be repaid. Only undergraduate students pursuing their first bachelor’s degrees are eligible for grants. Five grants are available at The University of Alabama:

Federal Pell Grant
The Federal Pell Grant program is based on financial need. The amount of a Pell Grant varies depending on eligibility.

Federal Supplemental Educational Opportunity Grant (SEOG)
The Supplemental Educational Opportunity Grant is a federal program based on exceptional financial need and availability of funds. The amount of an SEOG award varies. To be considered, a student must be eligible for a Federal Pell Grant.

Alabama Student Assistance Program
The Alabama Student Assistance Program is a grant program based on financial need and availability of funds. Only Alabama residents are eligible to receive these grants, which vary in amount.

Student Loans
Student loan programs provide long-term, low-interest loans for students. Student loans must be repaid with interest.

Federal Perkins Loan
The Federal Perkins Loan is based on exceptional financial need, eligibility for the Federal Pell Grant and availability of funds. It has an annual interest rate of 5 percent. Repayment does not begin until nine months after graduation or when a student is no longer enrolled at least half-time. The maximum amount that can be borrowed by a student for each academic year is determined annually and is based on the availability of funds.

William D. Ford Federal Direct Loan Program (Direct Loans)
The University of Alabama participates in the Direct Student Loan program. This means the University receives loan funds directly from the U.S. Department of Education and disburses them to eligible students. Loans disbursed through this program no longer involve private lending institutions such as banks or credit unions. The types of loans disbursed through the program are as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman</td>
<td>$3,500</td>
</tr>
<tr>
<td>Sophomore</td>
<td>$4,500</td>
</tr>
<tr>
<td>Junior/Senior</td>
<td>$5,500</td>
</tr>
</tbody>
</table>

Federal Direct Subsidized Stafford Loan
The Federal Direct Subsidized Stafford Loan program is based on financial need; recipients must be enrolled at least half-time.

Federal Direct Unsubsidized Stafford Loan
The Federal Direct Unsubsidized Stafford Loan program is not based on financial need. Unlike the subsidized loan, interest on an unsubsidized loan begins accruing as soon as the loan funds are disbursed. Interest can be added to the principal or paid monthly or quarterly by the borrower. To be considered for the unsubsidized loan, students must apply for federal financial aid.

Federal Direct Parent Loan for Undergraduate Students (PLUS)
The PLUS program is not based on financial need. The PLUS program is available to parents of dependent students. The interest rate is variable, adjusted annually. A parent can borrow the difference between the cost of attendance (defined by Student Financial Aid) and the amount of the student’s estimated resources.

Federal Work-Study Program
The Federal Work-Study Program is a federally funded work program based on financial need and availability of funds. One component of the program is student participation in community service designed to improve the quality of life of a community’s residents or to solve particular problems those residents experience.

A listing of available work-study positions (including community service positions) is made available to students who complete the University's work-study orientation session.