NEED-BASED FINANCIAL ASSISTANCE

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Grants
The Office of Student Financial Aid administers several grant programs for University of Maryland (UMD) undergraduate students. Offers are made based on financial need as determined by the information provided on the Free Application for Federal Student Aid (FAFSA). Grants do not have to be repaid.

Federal Pell Grant
This grant provides a ‘foundation’ of financial aid, to which aid from other sources may be added. Only undergraduate students who are seeking their first bachelor’s degree and have exceptional need may receive a Federal Pell Grant. All undergraduate students will be considered for this grant, regardless of when their completed FAFSA is received. Students may receive the Federal Pell Grant for less than full-time attendance, although the award will be prorated based on the number of credits attempted. Offers range from $657 to $6,345. For more information, please visit the Federal Aid (https://financialaid.umd.edu/types-aid/federal-aid/) page of the Office of Student Financial Aid website.

University of Maryland Grant
The UMD grant is awarded to full-time undergraduate students that are state of Maryland residents and who demonstrate financial need. To qualify for consideration, students must submit their completed FAFSA by the January 1 priority deadline. Recipients are selected for this award based on the availability of funds and the qualifications of the applicants.

Teacher Education Assistance for College and Higher Education (TEACH) Grant
Through the College Cost Reduction and Access Act of 2007, Congress created the Teacher Education Assistance for College and Higher Education (TEACH) Grant (https://studentaid.gov/understand-aid/types/grants/teach/) which provides grants of up to $3,764 per year to students who intend to teach in a public or private elementary or secondary school that serves students from low-income families.

To receive the TEACH Grant students must complete the FAFSA, be a U.S. citizen or eligible non-citizen, enrolled as an undergraduate, post-baccalaureate or graduate student, enrolled in coursework necessary to begin a career in teaching or plan to complete such coursework, maintain a cumulative 3.25 GPA and sign a TEACH Grant Agreement to Serve. Questions regarding the TEACH Grant can be emailed to sfaoper@umd.edu.

Loan Programs
Federal Direct Loan Program
The Federal Direct Loan program is a low-interest-rate loan, based on financial need for students who attend college at least half-time. The only application students need to submit to be considered for a Direct Loan is the FAFSA. This loan is borrowed by the student and must be repaid.

There are two types of Direct Loans: subsidized and unsubsidized. The Direct Subsidized Loan is offered to students with demonstrated financial need and is interest-free while students are enrolled at least half-time in a degree-seeking program. Students who do not demonstrate financial need, or who do not demonstrate sufficient need to borrow a full Direct Subsidized Loan, may borrow a Direct Unsubsidized Loan. The Direct Unsubsidized Loan is interest bearing. Students borrowing a Direct Unsubsidized Loan will be required to repay the principal and any interest that may accrue during school attendance. All students who want to apply for either type of Direct Loan must complete the FAFSA. As of July 1, 2019, the Direct subsidized and unsubsidized loans for undergraduate students has a 4.53% fixed interest rate. Students who graduate or drop below half-time status are granted a six-month grace period before repayment of the Direct Loan is required.

The following are the maximum loan amounts per academic year:
- $5,500 for undergraduate students with freshman status,
- $6,500 for undergraduate students with sophomore status and
- $7,500 for undergraduate students with junior or senior status. If students do not demonstrate sufficient need to borrow the maximum Direct Subsidized Loan, they may borrow the difference in a Direct Unsubsidized Loan. The maximum total borrowing limit for most undergraduate students is $31,000.

Federal Direct PLUS Loan
The Federal Direct PLUS Loan is a non-need-based loan, which parents/guardians may borrow to help cover the cost of their dependent children’s education. The Direct PLUS Loan enables parents/guardians to borrow up to the student’s cost of attendance (https://financialaid.umd.edu/resources-policies/cost-attendance/) (as determined by the school) minus all other financial aid. Otherwise, there is no yearly or cumulative borrowing limit. The student is required to complete the FAFSA in order to apply for the Direct PLUS Loan. After the FAFSA is completed, the parents/guardians must submit the Direct PLUS Loan application (https://studentaid.gov/app/launchPLUS.action?plusType=parentPlus/) through the U.S. Department of Education. The Office of Student Financial Aid will receive the application and review it for certification and calculation of the maximum loan amount that the parent may borrow per student, per year.

The Direct PLUS Loan is granted to borrowers based on credit-worthiness as determined by the U.S. Department of Education. The Direct PLUS Loan has a 7.60% fixed interest rate. The borrower has the option of beginning repayment on the Direct PLUS Loan either 60 days after the loan is fully disbursed or not until six months after the dependent student on whose behalf the parent borrowed ceases to be enrolled on at least a half-time basis.

Self-Help (Work-Study and Employment)
Federal Work-Study
The Federal Work-Study (FWS) Program provides students with the opportunity to earn money to meet their educational and personal expenses through employment. Money earned from the FWS program does not have to be paid back. To be considered for FWS, students must submit their completed FAFSA by the January 1 priority deadline. Pay rates depend on the level of complexity of the work but will be at least the federal minimum wage. Like all university employees, FWS employees receive a paycheck every other week for the hours worked. Most FWS jobs are on campus, though opportunities exist through the Community Service Program for FWS students to work off-campus at several Federal Government Agencies. The number of hours students may work is

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limited to 20 per week while school is in session and 40 per week during vacations and summer break.

Paid Internships
Students with paid internships sign a contract at the beginning of the semester that states the payment amount for the number of hours to be worked during that semester. The payment amount is advanced to the student’s account at the start of each semester. This program differs from Federal Work-Study in that students receive all ‘wages’ at the beginning of each semester, as opposed to a bi-weekly paycheck and those funds are applied directly to the student’s account. Several offices and departments on campus, including Shuttle-UM, Residential Facilities and Dining Services offer paid internships. Students should contact the department or office for which they are interested in working.