

# NEED-BASED FINANCIAL ASSISTANCE

---

0115 Mitchell Building  
 Phone: 301-314-TERP (8377)  
 Fax: 301-405-9265  
 umdfinaid@umd.edu  
<http://financialaid.umd.edu>

## Grants

The Office of Student Financial Aid administers several grant programs for University of Maryland (UMD) students. Grant 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 seeking their first bachelor's degree and demonstrating exceptional financial needs 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 offer will be prorated based on the number of credits attempted. Offers range from \$692 to \$7,395 for the 2023-2024 academic year. 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.

### Federal Supplemental Educational Opportunity Grant (SEOG)

Only undergraduate students seeking their first bachelor's degree and who demonstrate exceptional financial need may receive a Federal Supplemental Educational Opportunity Grant (SEOG). Students must qualify for the Federal Pell Grant to be considered for the SEOG and must submit their completed FAFSA by the January 1 priority deadline. Students may receive the SEOG for less than full-time attendance, although the offer will be prorated based on the number of credits attempted. Offers range from \$100 to \$600 for the 2023-2024 academic year. 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 offered to full-time undergraduate students who are state of Maryland residents and who demonstrate financial need. Students must submit their completed FAFSA by the January 1 priority deadline to qualify for consideration. Recipients are selected for this offer based on the availability of funds and the qualifications of the applicants.

### Terrapin Commitment

Terrapin Commitment is offered to low-income full-time undergraduate students who are state of Maryland residents and who demonstrate financial need. Students must submit their completed FAFSA for consideration. Recipients are selected for this offer 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 \$3,772 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. If you have questions regarding the TEACH Grant, please email [umdfinaid@umd.edu](mailto:umdfinaid@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 FAFSA is the only application students need to submit to be considered for a Direct Loan. This loan is borrowed by the student and must be repaid. There are two types of Direct Loans:

- 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.
- The Direct Unsubsidized Loan is an interest-bearing loan for students who do not demonstrate financial need or do not demonstrate sufficient need to borrow a full Direct Subsidized Loan. 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, 2022, the Direct Subsidized and Unsubsidized Loans for undergraduate students have a 4.99% fixed interest rate. Students who graduate or drop below half-time status are granted a six-month grace period before Direct Loan repayment 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.
- \$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 must complete the FAFSA 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 calculation and certification of the maximum loan amount the parent may borrow per student, per year.

The Direct PLUS Loan is granted to borrowers based on creditworthiness as determined by the U.S. Department of Education. As of July 1, 2022, the Direct PLUS Loan has a 7.54% fixed interest rate. The borrower can choose to begin repayment on the Direct PLUS Loan either 60 days after the loan is fully disbursed or 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. Students must submit their completed FAFSA by the January 1 priority deadline to be considered for FWS. Pay rates depend on the position's level of complexity but will be at least the federal minimum wage. Like all university employees, FWS employees receive a paycheck every other week for hours worked. Most FWS jobs are on campus, though the Community Service Program allows FWS students to work off-campus at several Federal Government Agencies. The number of hours students may work is 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. The contract 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 instead of a bi-weekly paycheck and those funds are applied directly to the student's account. Several offices and departments on campus (such as Shuttle-UM, Residential Facilities and Dining Services) offer paid internships. Students should contact the department or office where they are interested in working.

## **Scholarships**

Some scholarships, such as Maryland State Scholarships, are offered based on demonstrated financial need as well as merit. To learn more, please review the Merit-Based Financial Assistance (<https://academiccatalog.umd.edu/undergraduate/fees-expenses-financial-aid/merit-based-financial-assistance/>) section.

Additionally, admitted and current students can use UMD's scholarship matching platform, Scholarship Universe (<https://financialaid.umd.edu/resources-policies/scholarship-universe/>), to find and apply for scholarship opportunities.