

Breaking Down Your Award Letter



Discover Student Loans

This sample award letter was created to help you make sense of the information you've been sent. Keep in mind, your award letter will likely look different as schools do not have to follow a standard template.

A. Cost of Attendance

- **Direct billable costs** are costs that need to be paid directly to the school.
- **Indirect costs** cover expenses like books, supplies, and transportation. These are costs related to attending school but aren't paid directly to the school.

B. Scholarships

- Scholarships are free money, meaning you don't have to pay anything back.
- Each scholarship will have its own name.
- Find out if the scholarship is renewable for all four years and be sure you understand the criteria to maintain the scholarship, like if there's a GPA minimum.

C. Federal Pell Grants

- Federal grants are free money from the government.
- The Pell Grant is designed to help students who display exceptional financial need.
- Depending on your school, receiving a Pell Grant may make other money available.

D. Federal Loans

- Federal loans are money the government offers you on loan, meaning you have to pay the money back with interest.
- **Subsidized loans** are based on financial need. You need to repay these loans, but the government pays the interest while you're in school at least half-time and during grace and deferment periods.
- **Unsubsidized loans** aren't based on need. You will have to pay back the loan with any interest that accrues during the life of the loan.
- The loan amounts you see offered in your award letter may be more than what you need. You don't have to accept all the money available to you.

Sample Award Letter

A	Estimated Cost of Attendance	\$62,700		
	Direct Billable Costs	Fall	Spring	Total
	Tuition and Fees	\$23,250	\$23,250	\$46,500
	Food and Housing	\$6,700	\$6,700	\$13,400
	Indirect Costs			
	Books and Supplies	\$600	\$600	\$1,200
	Transportation	\$325	\$325	\$650
	Other Educational Costs	\$475	\$475	\$950
B	Financial Aid	\$34,500		
C	Grants and Scholarships	Fall	Spring	Total
D	University Scholarship	\$12,500	\$12,500	\$25,000
	Federal Pell Grant	\$2,000	\$2,000	\$4,000
	Loans			
	Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
	Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
E	Total Estimated Balance	\$28,200		
	Estimated Monthly Payment Options			
	\$2,820	\$2,350	Deposit Now	
	10 payments per year	12 payments per year	Methods of Payment	

Resources to Pay Your Balance

F	Accepting Your Financial Aid Award	Log in to our website and accept, decline, or partially accept your financial aid award.		
G	Work-Study	Fall	Spring	Total
	Federal Work-Study	\$1,500	\$1,500	\$3,000
	Payment Plan			
	We offer 10- and 12-month payment plans. Payment plans are calculated by semester and subject to change. You need to sign up for a payment plan each semester.			

If you have any questions or concerns related to this award letter, please contact the financial aid office.

E. Total Estimated Balance

- This is the school's estimate of what you'll pay for the current school year.
- Keep in mind this number doesn't account for additional student loans you may take out, other scholarships you could earn or savings you or your family have. It also may not include all expenses associated with attending school.
- Most schools offer a payment plan. Contact the school to find out if there are any fees or interest charges associated with the payment plans offered.

F. Accepting Your Financial Aid Award

- You're not required to accept all of the funds offered in your award letter. You can accept the scholarships and grants, even if you don't accept the loans.
- You're not locked in to attending the school until you actually accept the funds.

G. Work-Study

- Work-study is a federal program that allows you to earn money while in college.
- This money is not directly applied to tuition. You receive it in the form of a paycheck like any other job.
- Work-study jobs are not guaranteed to every eligible student. You have to find, apply, and be hired for these positions.
- The amount listed isn't guaranteed either. That number represents the maximum amount you'll be able to receive through work-study.

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