



NATIONAL STUDENT AID PROFILE: OVERVIEW OF 2019 FEDERAL PROGRAMS

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Overview

Dear Reader:

NASFAA's National Student Aid Profile is an annual publication designed to give a high-level overview of the federal student financial aid programs that provide funding to millions of students each year.

In this profile, you will find an overview of:

- The Federal Pell Grant Program
- The Federal Supplemental Educational Opportunity Grant (FSEOG) Program
- The Federal Work-Study Program
- The Federal Direct Subsidized and Unsubsidized Loan Programs
- The Federal Direct PLUS Loan Program

For each program, in addition to a basic description, you will find the most up-to-date data and information on the:

- Number of Recipients
- Total Volume of Awards
- Federal Funding Levels
- Distribution by Family Income

In addition, we provide an appropriations update on Title IV program funding for the 2019-20 award year.

If you have any questions or would like more information, please reach out to NASFAA at policy@nasfaa.org or 202-785-0453.

Sincerely,

The NASFAA Policy & Federal Relations Team

Table 1. Summary Descriptions of the Major Federal Student Aid Programs

Program Name	Program Description	Number of Recipients and Average Awards	Volume 2017-18
Federal Pell Grant	Provides grants to low-income undergraduates who have not yet earned a first bachelor's degree with the greatest demonstrated financial need. The 2018-19 maximum award was \$6,095; the minimum award was \$650. For 2019-20, the maximum award is \$6,195 and the minimum award amount for a full-time student is \$650.	Approximately 7.2 million recipients in 2016-17. Average award was \$3,800. Just over 80% of recipients had family incomes of less than \$40,000.	The total volume for Pell Grants was \$28.7 billion.
Federal Supplemental Educational Opportunity Grant (FSEOG)	Provides grants to low-income undergraduates with the greatest demonstrated financial need. Maximum award is \$4,000; minimum award is \$100. Priority must be given to students who receive Federal Pell Grants, and awards must be made first to students who have the lowest Expected Family Contributions. At least 25% of FSEOG awards must come from institutional resources.	Approximately 1.5 million recipients in 2016-17. Average award was \$665. Just under 68% of dependent recipients came from families with an income of less than \$30,000.	The total federal volume was \$1 billion.
Federal Work-Study (FWS)	Provides part-time jobs to financially needy undergraduate and graduate/professional students. Jobs must, to the best extent possible, be related to students' academic or career goals. Institutions must generally contribute at least 25% of wages paid.	Approximately 617,000 recipients in 2016-17. The average award was \$1,759. Of dependent undergraduate recipients, 44% had family incomes below \$42,000.	The total federal volume was \$1.1 billion.

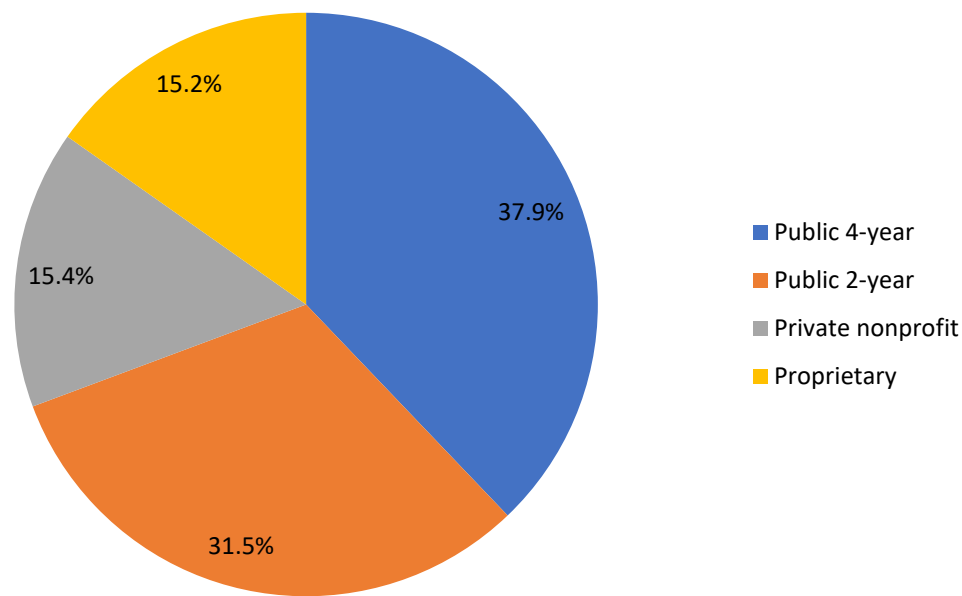
Table 1. Summary Descriptions of the Major Federal Student Aid Programs (continued)

Program Name	Program Description	Number of Recipients and Average Awards	Volume 2017-18
Federal Direct Subsidized Loan	Provides low-interest loans to financially needy undergraduate students. Interest on the loans is paid by the government while borrowers are in school, in the grace period, and during deferment. Borrowing is subject to annual and aggregate loan limits. Borrowers begin repaying loans six months after ceasing at least half-time enrollment in postsecondary education, unless the borrower qualifies for deferment. Cancellation of loans is available for employment in certain designated fields, under certain conditions.	Approximately 5.5 million borrowers in 2017-18. Average loan of \$3,765.	The total loan volume was \$21 billion.
Federal Direct Unsubsidized Loan	Provides low-interest loans to undergraduate and graduate/professional students. Loans are provided regardless of a borrower's income or financial need, as long as total aid does not exceed cost of attendance. Recipients are charged interest on the loans at all times. Borrowing is subject to annual and aggregate loan limits; limits are higher for independent students. Unless borrowers qualify for deferment, loan repayment begins six months after they cease at least half-time enrollment in postsecondary education. Cancellation of loans is available for employment in certain designated fields, under certain conditions.	Approximately 6.9 million borrowers in 2017-18. Average loan of \$3,992 for undergraduate students and \$18,217 for graduate students.	The total loan volume was \$48 billion.
Federal Direct PLUS Loan	Provides loans to (1) the parents of dependent undergraduates, as defined by the Higher Education Act, and (2) graduate and professional students. Borrowers may obtain loans up to the full amount of the cost of education, minus any aid students receive from other sources. Loans are provided regardless of income, but borrowers must pass a credit check or obtain an endorser.	Approximately 839,000 parent borrowers in 2017-18. Average loan of \$15,173. In the same award year, an estimated 416,405 graduate/professional students borrowed an average of \$24,048 in Grad PLUS loans.	PLUS borrowers (parents and graduate/professional students) received \$23 billion.

The Federal Pell Grant Program

Program Description. The Federal Pell Grant program is the “foundational” federal student aid program. The program provides grants to financially needy undergraduate students who have not yet earned their first bachelor’s degree to help pay the costs of attending a postsecondary institution. (In very limited circumstances, post-baccalaureate students in teacher education programs may also qualify for Pell Grants.) Schools must determine a student’s Federal Pell Grant eligibility before calculating eligibility for other federal student aid programs. During the annual congressional appropriations process, the minimum and maximum Pell Grant award levels are established for the upcoming award year. In award year 2018-19, grants ranged between \$650 and \$6,095. In award year 2019-20, grants ranged from \$650 to \$6,195. The amounts students receive are based on their educational costs and the family’s ability to contribute to college costs.

Figure 1. Distribution of Pell Grant Recipients by Type of Institution, Award Year 2016-17



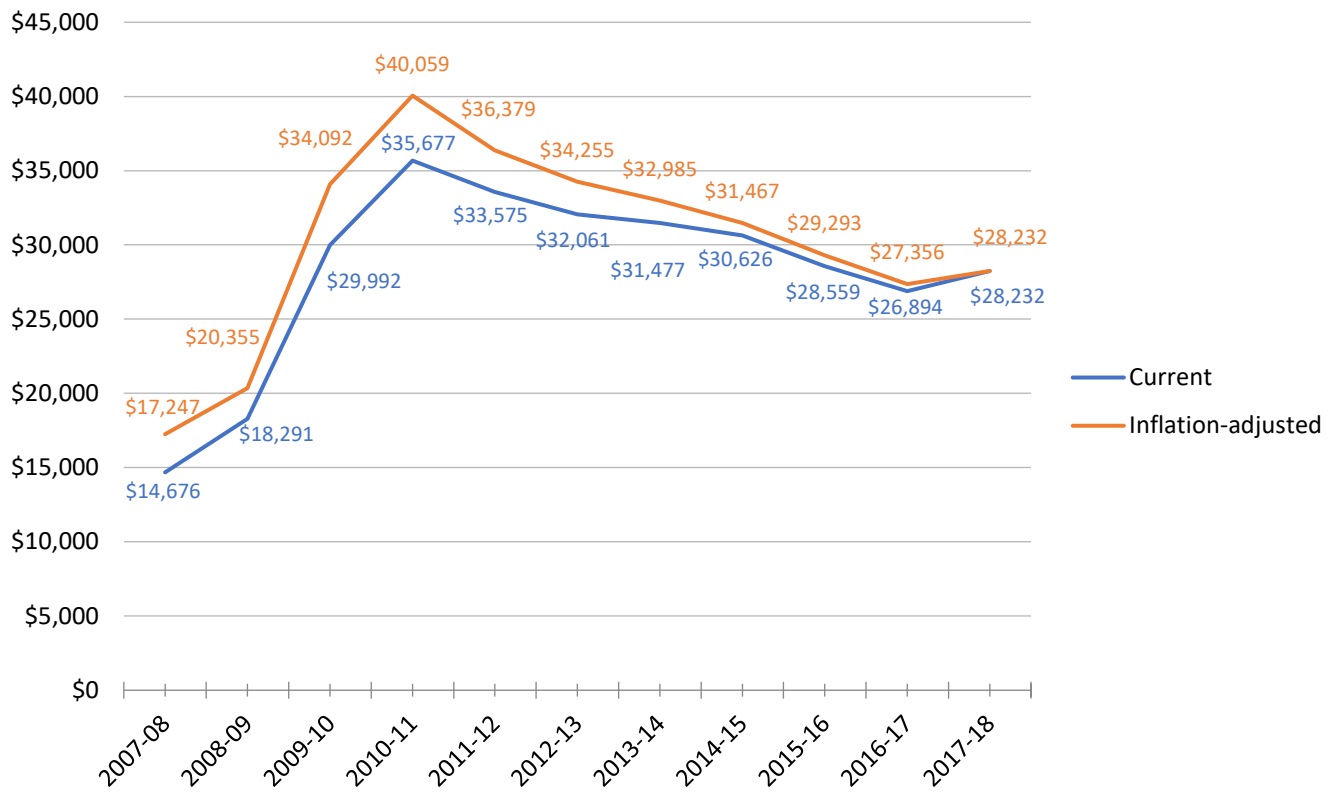
Source: U.S. Department of Education, Federal Pell Grant Program End-of-year Report, 2016-2017.

Table 2. Number and Distribution of Pell Grant Recipients by Family Income Level, Award Year 2016-17

Family Income Level	Number	Percentage
\$6,000 or less	1,457,234	20.3%
\$6,001 to \$15,000	1,399,572	19.5%
\$15,001 to \$20,000	809,255	11.2%
\$20,001 to \$30,000	1,250,592	17.4%
\$30,001 to \$40,000	872,583	12.1%
\$40,001 to \$50,000	618,550	8.6%
\$50,001 to \$60,000	406,450	5.6%
\$60,001 and over	380,525	5.3%
Total	7,194,761	100%

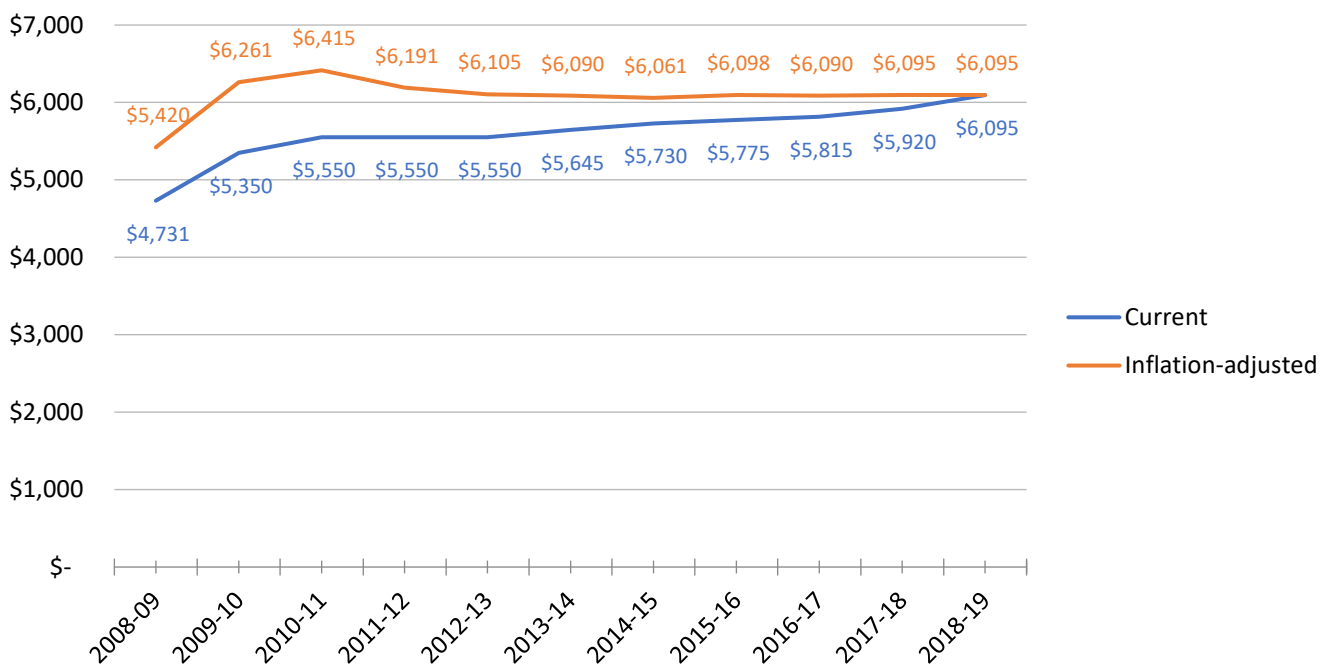
Source: U.S. Department of Education, Federal Pell Grant Program End-of-year Report, 2016-2017.

Figure 2. Federal Pell Grant Appropriations in Current and Inflation-Adjusted Dollars (in millions), 2007-08 to 2017-18



Source: The College Board, Trends in Student Aid, 2018.

Figure 3. Maximum Pell Grant Award in Current and Inflation-Adjusted Dollars, 2008-09 to 2018-19



Source: U.S. Department of Education, Federal Pell Grant Program End-of-year Report, 2016-2017; FSA data from website, 2019. Inflation-adjusted to 2018 dollars calculated by NASFAA, using the Consumer Price Index (CPI-U) for the July beginning the academic year.

Campus-Based Aid Programs

The U.S. Department of Education (ED) requires schools to contribute a portion of the funding for campus-based aid programs, but financial aid administrators at each participating postsecondary institution must use federal program guidelines to determine which students will receive awards and how much they will receive. These programs include the Federal Supplemental Educational Opportunity Grant program and the Federal Work-Study program.

The Federal Supplemental Educational Opportunity Grant Program

Program Description. The Federal Supplemental Educational Opportunity Grant (FSEOG) program provides grants to financially needy undergraduates at postsecondary institutions. Financial assistance from the FSEOG program generally supplements the aid students receive from other sources. Students must have “exceptional” financial need to receive FSEOG awards. Schools must give priority to students who receive Federal Pell Grants, and awards must first be made to students with the lowest Expected Family Contributions (EFC) — that is, starting with a \$0 EFC and then moving upward. The minimum FSEOG award is \$100, and the maximum is \$4,000. Institutions that participate in the program receive federal allocations to distribute awards. These institutions must match their federal allocations with funds from their own resources, so that no more than 75% of FSEOG awards represent the federal share.

Table 3a. Number of Dependent Undergraduates Who Received Federal Supplemental Educational Opportunity Grants by Family Income Level, Award Year 2016-17

Family Income Level	Recipients	Recipients Percentage	Total FSEOG Dollars*	Dollars Percentage	Average FSEOG Award
Less than \$6,000	116,444	15.8%	\$90,368,080	15.1%	\$776
\$6,000 to \$11,999	70,038	9.5%	53,371,117	8.9%	762
\$12,000 to \$23,999	219,471	29.7%	170,288,647	28.5%	776
\$24,000 to \$29,999	94,269	12.8%	76,805,410	12.9%	815
\$30,000 to \$41,999	123,776	16.8%	103,942,397	17.4%	840
\$42,000 to \$59,999	80,221	10.9%	70,971,203	11.9%	885
\$60,000 and over	34,304	4.6%	30,769,796	5.2%	897
Total*	738,523	100.0%	\$596,516,650	100.0%	\$808

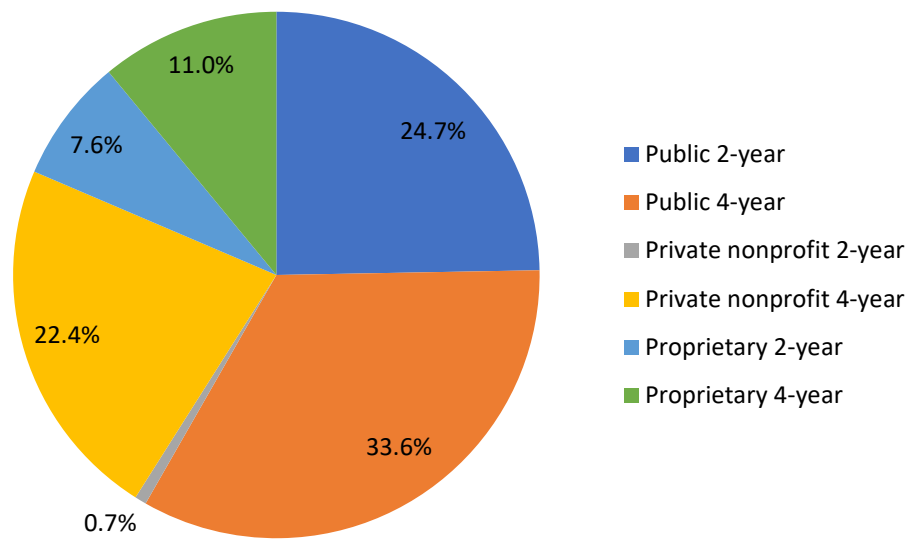
Table 3b. Number of Independent Undergraduates Who Received Federal Supplemental Educational Opportunity Grants by Family Income Level, Award Year 2016-17

Family Income Level	Recipients	Recipients Percentage	Total FSEOG Dollars*	Dollars Percentage	Average FSEOG Award
Less than \$2,000	171,827	23.1%	\$97,989,329	25.1%	\$570
\$2,000 to \$3,999	45,622	6.1%	26,528,890	6.8%	581
\$4,000 to \$7,999	92,242	12.4%	51,409,839	13.2%	557
\$8,000 to \$11,999	99,324	13.3%	51,551,049	13.2%	519
\$12,000 to \$15,999	65,936	8.8%	31,736,975	8.1%	481
\$16,000 to \$19,999	56,585	7.6%	27,193,016	7.0%	481
\$20,000 and over	213,905	28.7%	104,194,462	26.7%	487
Total*	745,441	100.0%	\$390,603,560	100.0%	\$524

*Total dollar amounts include federal funds and institutional matching funds.

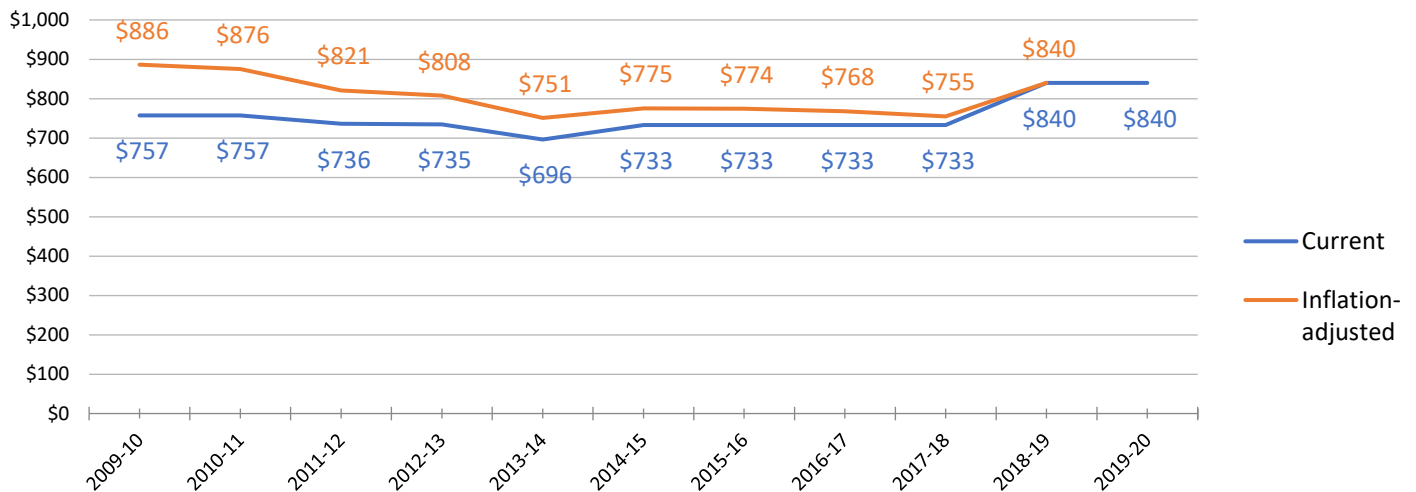
Source for Tables 3a and 3b: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2018.

Figure 4. Distribution of FSEOG Recipients by Type of Institution, Award Year 2016-17



Source: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2018.

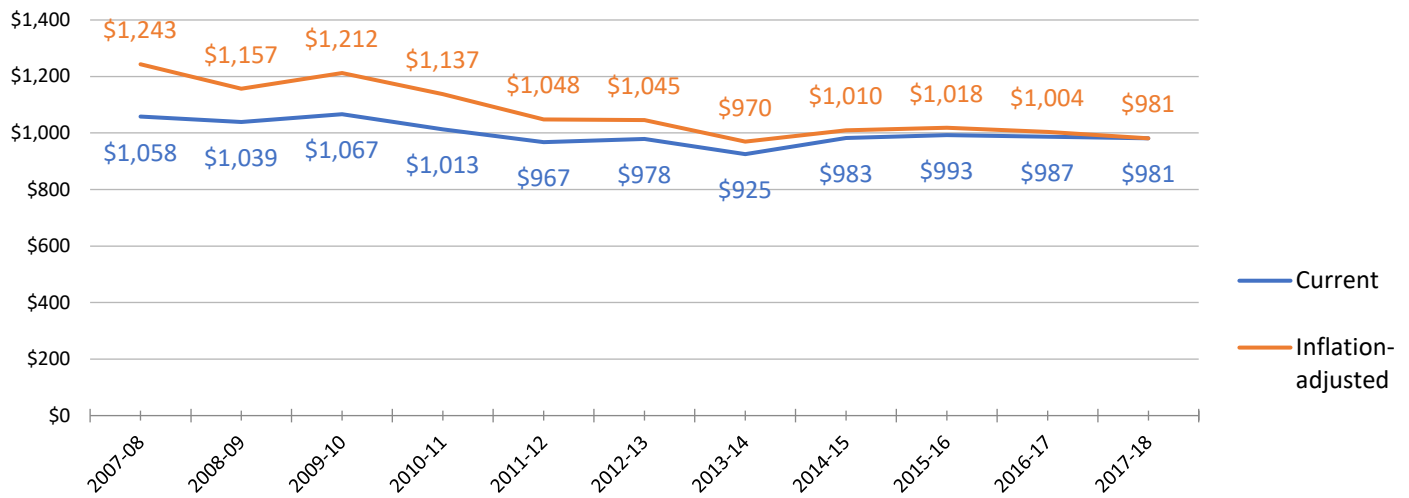
Figure 5a. Federal Appropriations for the FSEOG Program in Current and Inflation-Adjusted Dollars (in millions), 2009-10 to 2019-20



Source: U.S. Education Department, Budget History Table: FY 1980—FY 2019

Note: does not include institutional matching funds

Figure 5b. FSEOG Program Volume in Current and Inflation-Adjusted Dollars (in millions), 2007-08 to 2017-18



** Total dollar amounts include federal funds and institutional matching funds.

Source: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2018; 2017-18 estimated by NASFAA.

The Federal Work-Study Program

Program Description. The Federal Work-Study (FWS) program provides part-time jobs to undergraduate, graduate, and professional students at postsecondary institutions. Generally, aid from the FWS program supplements the assistance students receive from Federal Pell Grants and other sources. The FWS program is a need-based program; that is, recipients must have demonstrated financial need to be awarded FWS.

Award amounts must be based on demonstrated financial need, the number of hours students are expected to work each week, and the anticipated hourly wage.

For most FWS jobs, the federal program funds are used to pay 75% of the students' wages. The remaining 25% is provided by the institution or the students' employers. (Private for-profit businesses that employ FWS recipients must pay at least 50% of students' wages from their own resources.) A lower non-federal share is permitted under specific limited conditions.

Table 4a. Number of Dependent Undergraduates Who Received Federal Work-Study Awards by Family Income Level, Award Year 2016-17

Family Income Level	Recipients	Recipients Percentage	Total FWS Dollars*	Dollars Percentage	Average FWS Award
Less than \$6,000	32,443	6.7%	\$56,369,969	7.2%	\$1,738
\$6,000 to \$11,999	20,247	4.2%	35,501,909	4.5%	1,753
\$12,000 to \$23,999	64,493	13.4%	113,770,921	14.4%	1,764
\$24,000 to \$29,999	31,730	6.6%	55,058,425	7.0%	1,735
\$30,000 to \$41,999	60,691	12.6%	104,517,896	13.3%	1,722
\$42,000 to \$59,999	74,531	15.5%	126,264,856	16.0%	1,694
\$60,000 and over	197,023	40.9%	296,895,891	37.7%	1,507
Total*	481,158	100.0%	\$788,379,867	100.0%	\$1,639

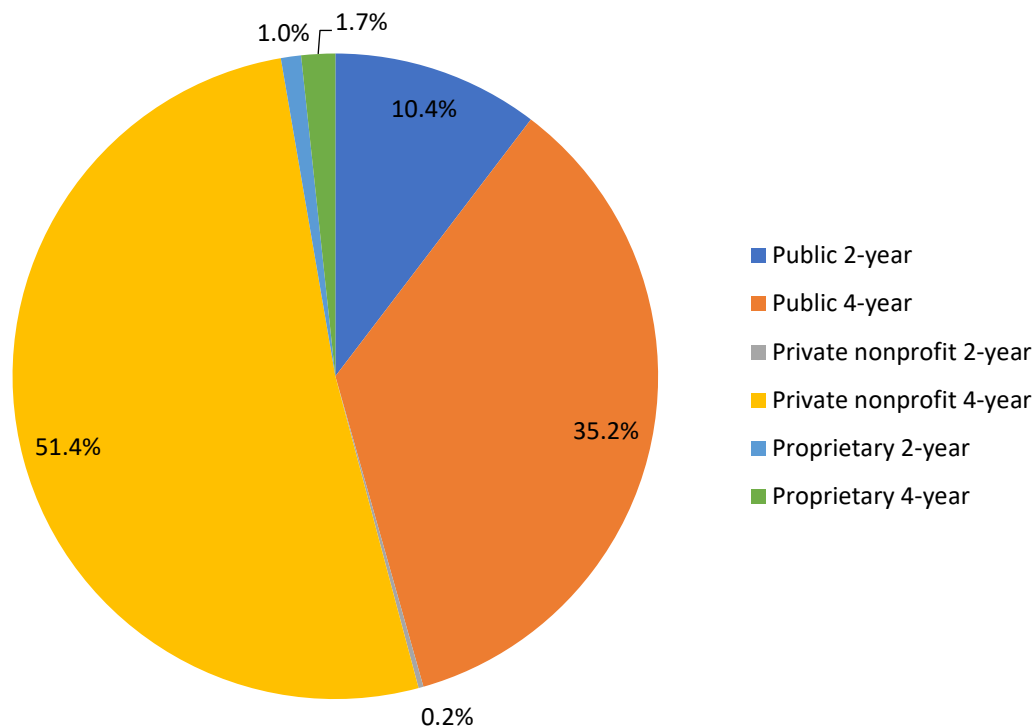
Table 4b. Number of Independent Undergraduates Who Received Federal Work-Study Awards by Family Income Level, Award Year 2016-17

Family Income Level	Recipients	Recipients Percentage	Total FWS Dollars*	Dollars Percentage	Average FWS Award
Less than \$2,000	25,237	27.7%	\$48,732,575	26.4%	\$1,931
\$2,000 to \$3,999	8,595	9.4%	17,018,741	9.2%	1,980
\$4,000 to \$7,999	15,121	16.6%	31,939,004	17.3%	2,112
\$8,000 to \$11,999	12,148	13.3%	25,976,521	14.1%	2,138
\$12,000 to \$15,999	8,165	9.0%	17,103,850	9.3%	2,095
\$16,000 to \$19,999	5,425	6.0%	11,175,991	6.1%	2,060
\$20,000 and over	16,366	18.0%	32,556,330	17.6%	1,989
Total*	91,057	100.0%	\$184,503,012	100.0%	\$2,026

*Total dollar amounts include federal funds and nonfederal institutional matching funds.

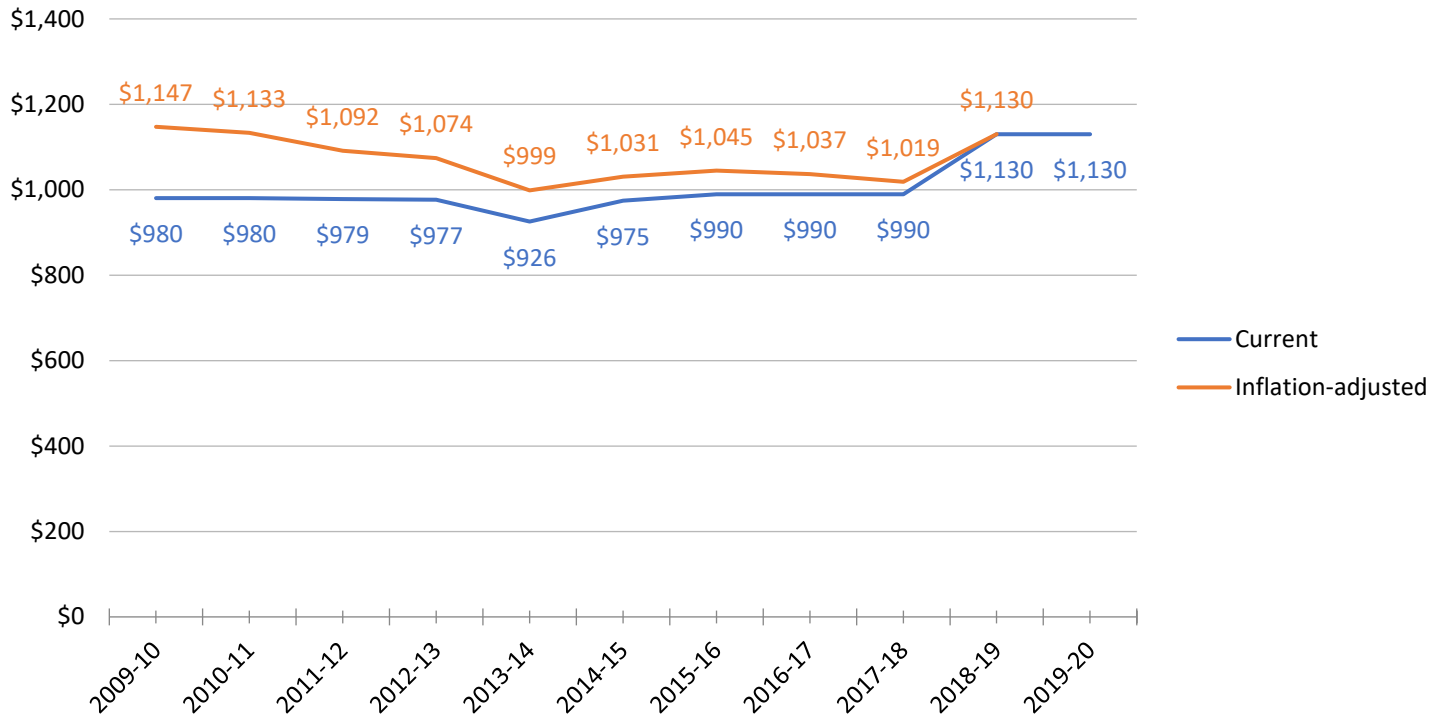
Source for Tables 4a and 4b: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2018.

Figure 6. Distribution of FWS Recipients by Type of Institution, Award Year 2016-17



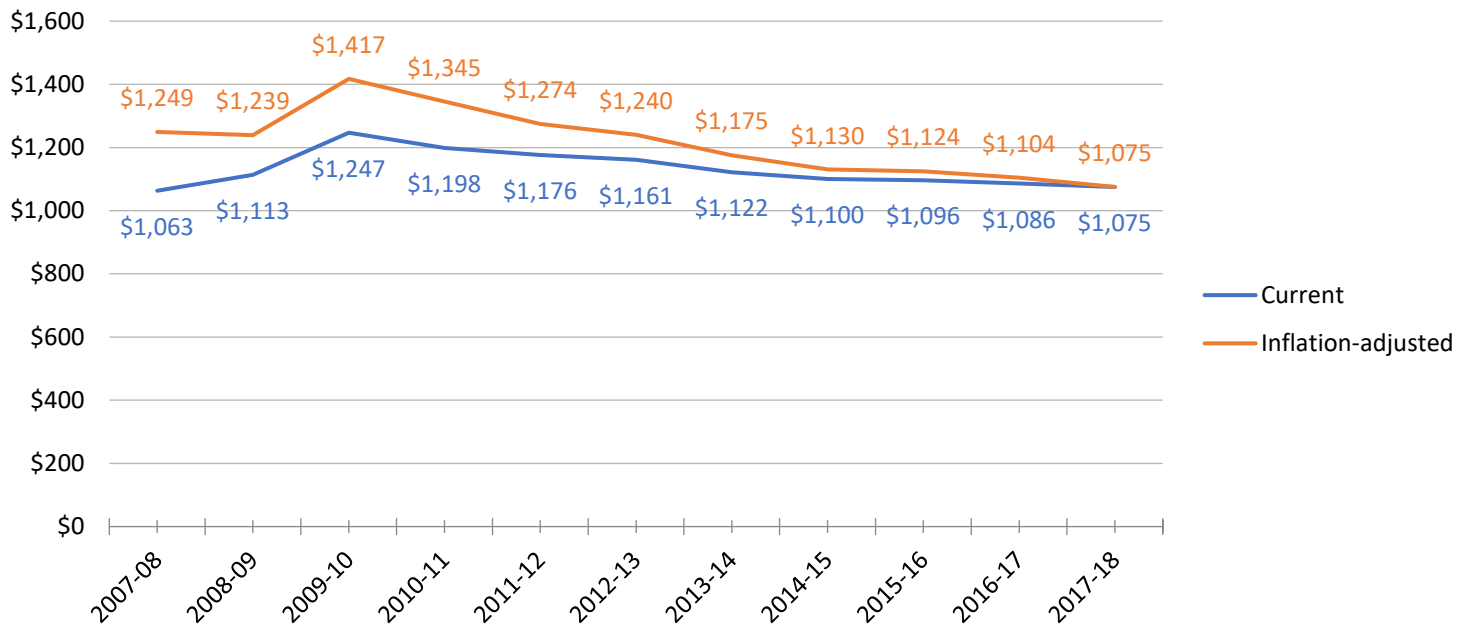
Source: U.S. Department of Education, Federal Campus-Based Programs Data Book, 2018.

Figure 7a. Federal Appropriations for the FWS Program in Current and Inflation-Adjusted Dollars (in millions), 2009-10 to 2019-20



Source: *The College Board, Trends in Student Aid, 2018.*
 Note: does not include institutional matching funds

Figure 7b. FWS Program Volume in Current and Inflation-Adjusted Dollars (in millions), 2007-08 to 2017-18



Source: *The College Board, Trends in Student Aid, 2018; 2017-18 estimated by NASFAA.*

The following table lists 2019-20 federal allocations for FSEOG and FWS by state. Approved allocations for FSEOG total \$832,708,329 for 3,504 schools, with FWS obligated funds totaling \$1,101,280,248 for 3,088 schools. These programs operate in all 50 states, the District of Columbia, and six U.S. territories. The five states with the largest total FSEOG and FWS award amounts include California, New York, Texas, Pennsylvania, and Florida.

Table 5. Federal Supplemental Educational Opportunity Grant and Federal Work-Study Obligated Funds by State, Award Year 2019-20

State	FSEOG		FWS	
	Participating Institutions	Allocation	Participating Institutions	Allocation
Alabama	56	\$12,167,275	54	\$16,568,067
Alaska	7	\$736,450	7	\$863,727
American Samoa	1	\$62,227	1	\$52,257
Arizona	45	\$25,099,579	34	\$16,677,654
Arkansas	47	\$5,972,377	43	\$8,009,068
California	391	\$103,759,459	322	\$126,144,404
Colorado	51	\$13,084,999	46	\$17,399,312
Connecticut	42	\$11,196,837	38	\$14,946,138
Delaware	10	\$1,782,955	9	\$2,407,202
District of Columbia	12	\$7,611,006	10	\$13,831,496
Florida	148	\$40,761,667	107	\$52,245,344
Georgia	91	\$21,228,275	89	\$28,053,903
Guam	3	\$234,606	3	\$525,765
Hawaii	15	\$1,819,157	13	\$2,344,947
Idaho	11	\$2,416,805	10	\$2,806,737
Illinois	137	\$33,868,185	131	\$50,216,346
Indiana	64	\$19,805,252	54	\$21,627,917
Iowa	60	\$8,778,471	52	\$11,886,333
Kansas	51	\$5,891,615	50	\$8,755,196
Kentucky	51	\$9,600,487	50	\$15,590,886
Louisiana	52	\$9,096,622	37	\$14,829,062
Maine	27	\$6,900,250	27	\$8,496,574
Maryland	53	\$12,232,708	46	\$15,102,107
Massachusetts	106	\$30,145,720	95	\$48,176,279
Michigan	79	\$24,198,836	76	\$31,818,466
Minnesota	76	\$18,058,812	71	\$22,513,844
Mississippi	31	\$9,040,376	30	\$11,955,817
Missouri	78	\$12,914,866	70	\$20,612,902
Montana	21	\$1,605,179	21	\$3,118,254

State	FSEOG		FWS	
	Participating Institutions	Allocation	Participating Institutions	Allocation
Nebraska	31	\$4,470,488	28	\$6,318,282
Nevada	10	\$3,078,650	10	\$4,087,451
New Hampshire	22	\$6,287,915	19	\$6,772,372
New Jersey	93	\$19,589,698	56	\$23,762,767
New Mexico	20	\$3,907,171	19	\$6,653,023
New York	250	\$61,930,030	213	\$99,252,996
North Carolina	120	\$21,085,568	119	\$29,419,606
North Dakota	18	\$2,659,820	19	\$3,173,520
Northern Mariana Is.	1	\$65,137	1	\$50,851
Ohio	128	\$26,694,106	108	\$37,313,534
Oklahoma	55	\$8,348,076	47	\$11,130,806
Oregon	50	\$10,015,693	43	\$14,184,624
Palau	1	\$38,905	1	\$127,850
Pennsylvania	167	\$40,832,547	144	\$57,347,014
Puerto Rico	82	\$13,011,383	75	\$17,646,467
Rhode Island	11	\$5,892,934	11	\$7,750,970
South Carolina	57	\$11,605,876	55	\$14,499,952
South Dakota	19	\$3,100,773	18	\$3,882,689
Tennessee	85	\$13,752,350	80	\$19,604,509
Texas	180	\$54,019,253	160	\$64,832,742
Utah	20	\$10,079,555	16	\$5,902,966
Vermont	19	\$5,217,722	18	\$5,366,615
Virgin Islands	1	\$76,574	1	\$85,594
Virginia	81	\$19,222,508	72	\$28,509,995
Washington	63	\$14,649,873	60	\$19,254,730
West Virginia	35	\$4,584,301	34	\$6,281,158
Wisconsin	60	\$17,630,628	56	\$19,584,921
Wyoming	9	\$789,742	9	\$906,240
Totals	3,504	\$832,708,329	3,088	\$1,101,280,248

Source: U.S. Department of Education, Final Notification of Campus-Based Funding for Period: July 1, 2019 to June 30, 2020.

The Federal Family Education Loan Program and the William D. Ford Direct Student Loan Program

Program Description. Before July 1, 2010, Title IV of the Higher Education Act (HEA) authorized two programs for distributing loans to students and parents of dependent undergraduate students. While the terms of the loans ran parallel between the two programs, the difference was the source of funding. The Federal Family Education Loan (FFEL) program, formerly known as the Guaranteed Student Loan program, utilized private and nonprofit sector funding under a system of federal guarantees and support. The FFEL program ceased operations in July 2010 (other than the collection and servicing of outstanding loans) in favor of maintaining just one loan program, the William D. Ford Direct Student Loan program, which is federally funded and administered by ED. The Direct Loan program continues to provide low-interest loans to undergraduate and graduate/professional students and parents of dependent undergraduate students to help pay the costs of attending postsecondary institutions. Loans are “entitlements,” which means that all eligible and qualified borrowers may receive the program funds and benefits, but borrowers are subject to annual and aggregate limits.

The Direct Loan program is an umbrella for four loans made for undergraduate and graduate study (as was the FFEL program):

- Direct Subsidized Loans (also referred to as Subsidized Stafford Loans)
- Direct Unsubsidized Loans (also referred to as Unsubsidized Stafford Loans)
- PLUS Loans, which are made to parents of dependent students and to graduate and professional students
- Consolidation Loans, a repayment option rather than a loan made for attendance at an institution

Borrowers of Direct Loans pay an origination fee on every new loan disbursed. Established in statute, for Direct Subsidized and Unsubsidized Loans, the origination fee is 1%, and for PLUS Loans the fee is 4%. Under sequestration imposed in the Budget Control Act of 2011, origination fees are increased annually based on the mandatory adjustment percentage provided by the Office of Management and Budget.

Loans first disbursed on or after

	Oct. 1, 2018, to Sept. 30, 2019	Oct. 1, 2019, to Sept. 30, 2020
Subsidized and Unsubsidized Direct Loans	1.062%	1.059%
PLUS Loans	4.248%	4.236%

Interest rate structures have varied greatly over the years – sometimes being variable with a maximum cap, sometimes fixed. As written in the Bipartisan Student Loan Certainty Act of 2013, all Direct Loans, except for Direct Consolidation Loans, with a first disbursement date on or after July 1, 2013, have variable fixed, market-based interest rates. Interest rates for new Direct Loans will change every July 1 based on market rates and then remain fixed for the life of that loan. All interest rates will apply to loans disbursed on or after July 1 of a year to June 30 of the following year only. This law will also provide protection to consumers from market spikes by placing rate caps of:

- 8.25% on Direct Subsidized Loans and Direct Unsubsidized Loans for undergraduate students
- 9.5% for Direct Unsubsidized Loans for graduate/professional students
- 10.5% for Parent/Graduate PLUS Loans

ED calculates the interest rates for these loans using a base 10-year Treasury Note Index, plus an add-on amount for each loan program. The following chart outlines the interest rates for the last three award years.

	Treasury Note Index	Add-On Amount	Interest Rate
Federal Direct Subsidized and Unsubsidized Loans: <i>Undergraduate Students</i>			
2017-18	2.4	2.05	4.45
2018-19	2.995	2.05	5.05
2019-20	2.479	2.05	4.53
Federal Direct Unsubsidized Loans: <i>Graduate Students</i>			
2017-18	2.4	3.6	6.00
2018-19	2.995	3.6	6.60
2019-20	2.479	3.6	6.08
Federal Direct PLUS Loans: <i>Parents and Graduate/Professional Students</i>			
2017-18	2.4	4.6	7.00
2018-19	2.995	4.6	7.60
2019-20	2.479	4.6	7.08

Subsidized Loans: Direct Subsidized Loans are provided to undergraduate students based on their demonstrated financial need. Annual and aggregate limits apply to award amounts. Students do not have to pay the accrued interest on subsidized loans while they are enrolled at their institutions at least half-time. Interest on the loans begins to accrue as soon as borrowers receive the funds. However, a portion of the federal appropriation for subsidized loans is used to pay the accrued interest on the borrowers' behalf. This provision in the subsidized loan program is commonly referred to as the "in-school interest subsidy" and was also available to needy graduate students prior to July 1, 2012.

Repayment begins following a 6-month "grace period" after the student is no longer enrolled at least half-time. The interest subsidy extends through the grace period. However, that provision was temporarily suspended for new loans for which the first disbursement was made on or after July 1, 2012, and before July 1, 2014. Borrowers are responsible for paying accruing interest once they enter the repayment period, beginning at the end of the grace period, except during authorized periods of deferment.

Unsubsidized Loans: The second type of Direct Loan, the Direct Unsubsidized Loan, works similarly to the Direct Subsidized Loan, but borrowers are responsible for all interest that accrues. Eligibility for unsubsidized loans is not based on students' financial need. That is, students may receive these loans regardless of their incomes or assets, and may use them to replace their Expected Family Contribution (EFC). Annual and aggregate limits apply to award amounts.

Students who receive unsubsidized loans do not have an in-school interest subsidy. These borrowers are charged the accrued interest on these loans while they are enrolled. Accrued interest may be paid during periods of enrollment, or may be capitalized (added to the principal balance of the loans). Interest on these loans must also be paid or capitalized during any deferment periods.

Like subsidized loans, repayment begins following a 6-month grace period after the student is no longer enrolled at least half-time.

Loan Limits. The amount a student may borrow in subsidized funds is the result of subtracting other aid and the EFC from the Cost of Attendance (COA), or the applicable annual loan limit, whichever is less. The annual maximum amount of loans students may borrow varies by academic grade level. As of July 1, 2007, the annual loan limits are as follows:

	Dependent Students	Independent Students (and students whose parents cannot obtain a PLUS Loan)
First Year Undergraduate Students	\$5,500 <i>No more than \$3,500 can be subsidized.</i>	\$9,500 <i>No more than \$3,500 can be subsidized.</i>
Second Year Undergraduate Students	\$6,500 <i>No more than \$4,500 can be subsidized.</i>	\$10,500 <i>No more than \$4,500 can be subsidized.</i>
Third Year and Beyond Undergraduate Students	\$7,500 <i>No more than \$5,500 can be subsidized.</i>	\$12,500 <i>No more than \$5,500 can be subsidized.</i>
Graduate/Professional Students	N/A	\$20,500 <i>As of July 1, 2012, unsubsidized funds only.</i>

Since July 1, 2007, the aggregate loan limits are as follows:

	Dependent Students	Independent Students (and students whose parents cannot obtain a PLUS Loan)
Undergraduate Students	\$31,000 <i>No more than \$23,000 can be subsidized.</i>	\$57,500 <i>No more than \$23,000 can be subsidized.</i>
Graduate Students	N/A	\$138,500 <i>No more than \$65,500 can be subsidized. Undergraduate borrowing counts toward graduate aggregate limit.</i>

PLUS: The PLUS Loan program provides loans to parents of dependent undergraduates and to students who are in graduate or professional programs (who are, by federal definition, independent of their parents). Parents must use the loan funds to pay for their children's higher education costs. To qualify for a PLUS Loan, borrowers may not have an adverse credit history (credit history is not considered for subsidized and unsubsidized loans). Borrowers with adverse credit history can obtain a loan if they provide an endorser or successfully appeal the credit decision with ED.

PLUS Loans are limited to the difference between the student's COA and other anticipated financial aid; there are no absolute annual or aggregate limits. Unlike Direct Subsidized and Unsubsidized Loans, there is no 6-month grace period; PLUS Loans enter repayment once they are fully disbursed but may be eligible for a deferment.

Table 6. Undergraduates Who Received Federal Subsidized Direct Loans by Family Income Level, Award Year 2015-16

Adjusted Gross Income (AGI)	Recipients (estimated)	Percent	Average award
Less than \$20,000	1,677,431	30.4%	\$3,680
\$20,000 to \$39,999	1,395,172	25.3%	3,738
\$40,000 to \$59,999	857,203	15.6%	3,832
\$60,000 to \$79,999	594,442	10.8%	3,842
\$80,000 to \$99,999	406,515	7.4%	3,801
\$100,000 and over	578,306	10.5%	3,782
Total	5,509,068	100.0%	\$3,722

Table 7. Undergraduates Who Received Federal Unsubsidized Direct Loans by Family Income Level, Award Year 2015-16

Adjusted Gross Income (AGI)	Recipients (estimated)	Percent	Average award
Less than \$20,000	1,407,960	26.1%	\$4,368
\$20,000 to \$39,999	1,143,610	21.2%	3,926
\$40,000 to \$59,999	725,936	13.4%	3,453
\$60,000 to \$79,999	539,686	10.0%	3,385
\$80,000 to \$99,999	440,823	8.2%	3,513
\$100,000 and over	1,140,215	21.1%	4,625
Total	5,398,231	100.0%	\$4,045

Table 8. Undergraduates Whose Parents Received Federal PLUS Loans by Family Income Level, Award Year 2015-16

Adjusted Gross Income (AGI)	Recipients (estimated)	Percent	Average award
Less than \$20,000	82,936	10.2%	\$10,097
\$20,000 to \$39,999	120,637	14.8%	10,727
\$40,000 to \$59,999	119,438	14.7%	11,268
\$60,000 to \$79,999	102,327	12.6%	12,739
\$80,000 to \$99,999	95,279	11.7%	13,972
\$100,000 and over	294,256	36.1%	18,454
Total	814,872	100.0%	\$14,027

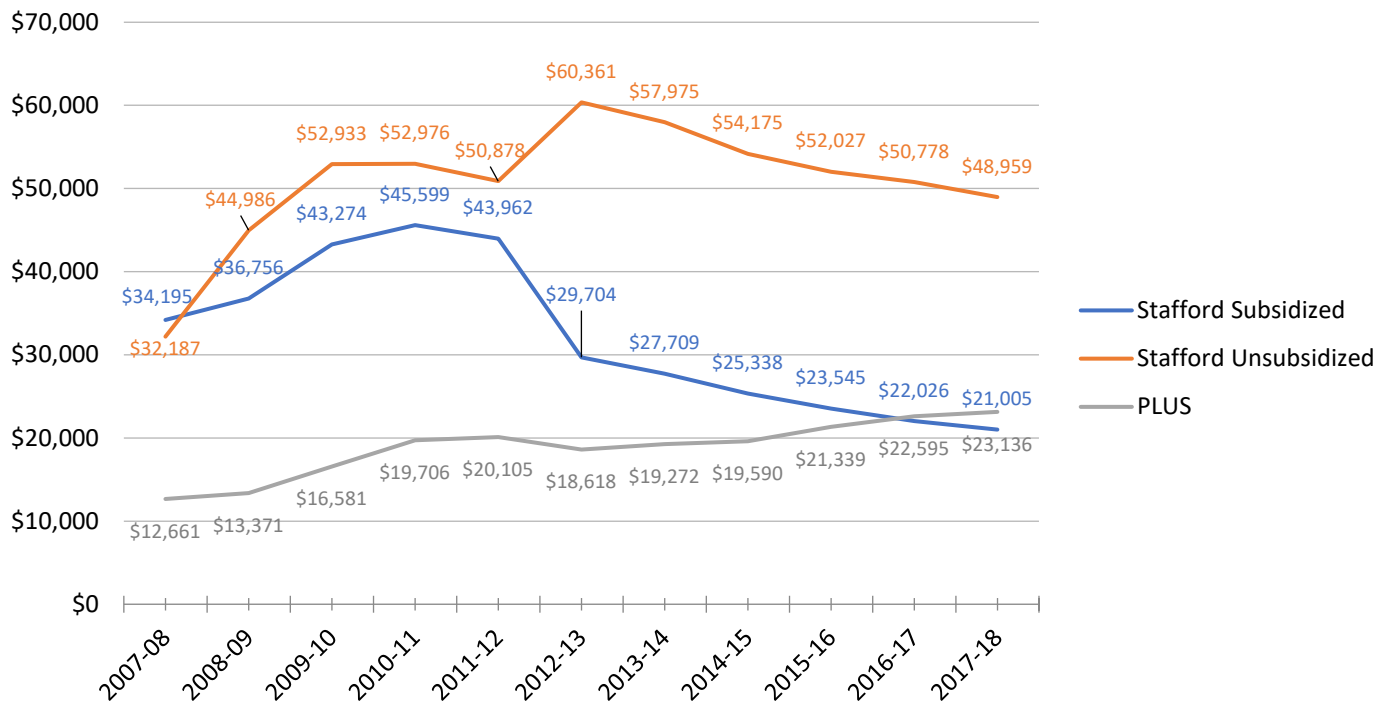
Table 9. Graduate/Professional Students Who Received Federal PLUS Loans by Family Income Level, Award Year 2015-16

Adjusted Gross Income (AGI)	Recipients (estimated)	Percent	Average award
Less than \$20,000	152,084	52.8%	\$21,979
\$20,000 to \$39,999	52,969	18.4%	19,435
\$40,000 to \$59,999	31,555	11.0%	20,881
\$60,000 to \$79,999	17,224	6.0%	24,384
\$80,000 to \$99,999	11,887	4.1%	16,700
\$100,000 and over	22,069	7.7%	22,328
Total	287,788	100.0%	\$22,316

Note for tables 6-9: Estimates for number of recipients calculated by NASFAA. Some students did not report income and were excluded from the calculation.

Source for tables 6-9: U.S. Department of Education, National Center for Education Statistics, 2015-16 National Postsecondary Student Aid Study (NPSAS:16)

Figure 8. Federal Student Loan Volume (Inflation-Adjusted Dollars, in millions), 2007-08 to 2017-18



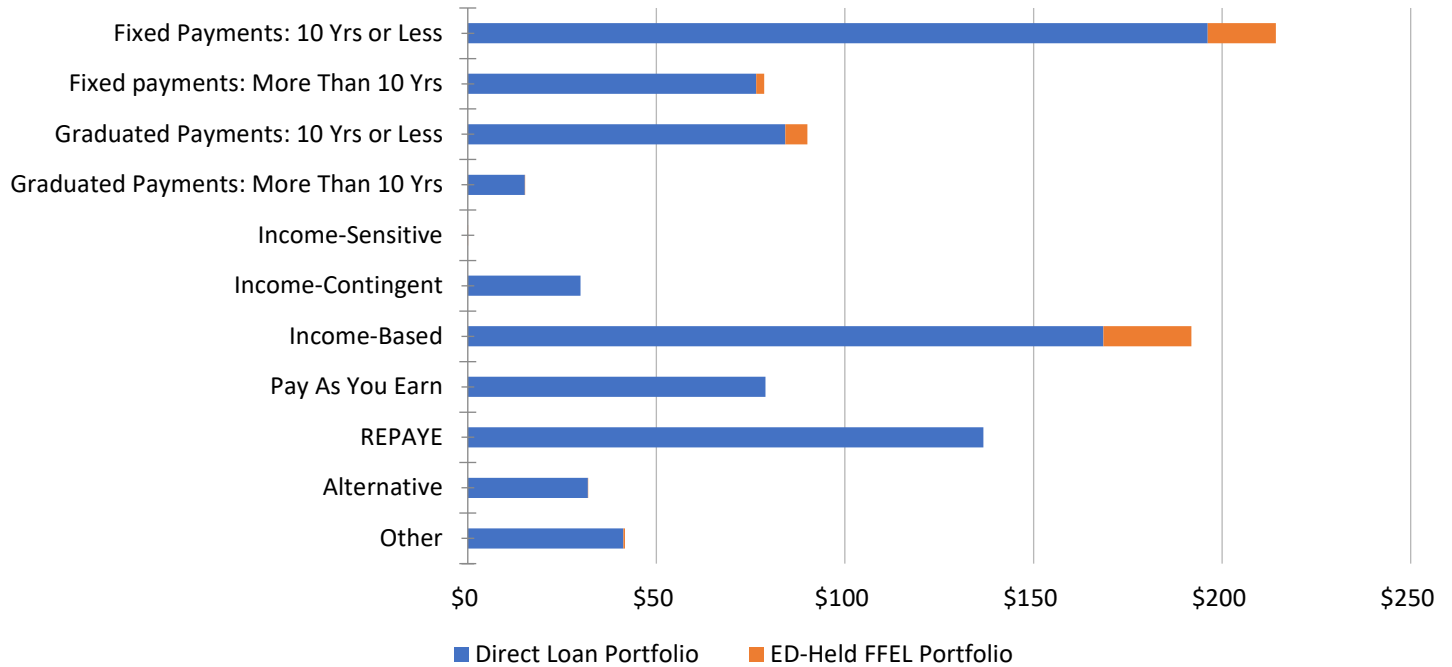
Source: The College Board, Trends in Student Aid, 2018.

Repayment, Loan, and Delinquency Status

Repayment Status: The federal government offers an array of repayment options for student borrowers. Borrowers, based on a variety of eligibility factors, can elect repayment plans with fixed or graduated payments up to 10 or 30 years, or choose to enroll in one of several income-driven repayment (IDR) plans. Income-contingent repayment (ICR), income-based repayment (IBR), income-sensitive repayment (ISR), Pay As You Earn (PAYE), and Revised Pay As You Earn (REPAYE) are each IDR plans with differing eligibility, monthly payment, and verification requirements.

As of September 2018, outstanding dollars from student loans in repayment totaled nearly \$909 billion. Outstanding dollars for the ED-held FFEL program that were subsequently sold to the federal government totaled \$49.9 billion in 2018 — 47% assigned to IDR plans and 36.2% assigned to 10-year fixed payment plans. Outstanding dollars from the Direct Loan portfolio, totaling \$859.1 billion, were divided among a number of repayment plans. Similar to ED-held FFEL program loans, the 10-year fixed payment plan housed the largest share of Direct Loan dollars at 22.8%, followed by IBR plans holding 19.6% of outstanding dollars in repayment.

Figure 9. Dollars Outstanding (in billions), by Repayment Plan, as of Sept. 30, 2018

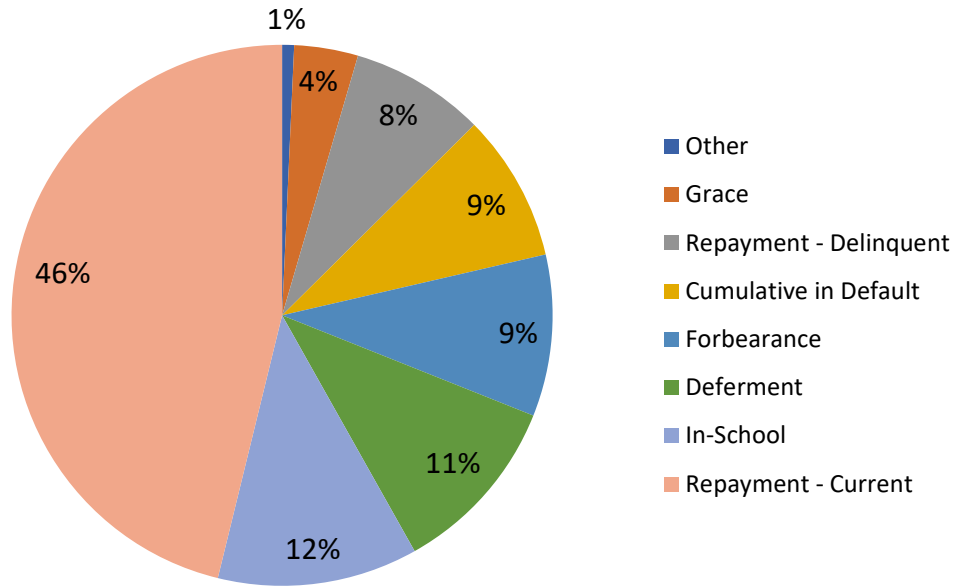


Note: Includes outstanding principal and interest balances of Direct Loan borrowers in Repayment, Deferment, and Forbearance; excludes borrowers in Default, In-School, and Grace. Data is run at the end of each quarter listed by federal fiscal year, in this case 2018 Q4. Information on repayment plans was not available for the FFEL program.

Source: National Student Loan Data System (NSLDS), available from FSA Data Center (<https://studentaid.ed.gov/sa/about/data-center/student/portfolio>).

Loan Status: In 2018, \$560.3 billion (41.6%) of the total outstanding Direct Loans, ED-held FFEL, and FFEL program dollars were in current repayment. The remaining \$787.7 billion (58.4%) fell into several non-current repayment categories. Of the total outstanding debt, 10.2% belonged to students still enrolled in school and 3.3% was held by students in a 6-month grace period. Loans in forbearance and deferment accounted for 10.5% and 10.6%, respectively, of uncollected dollars, with 15.3% of the dollars in default.

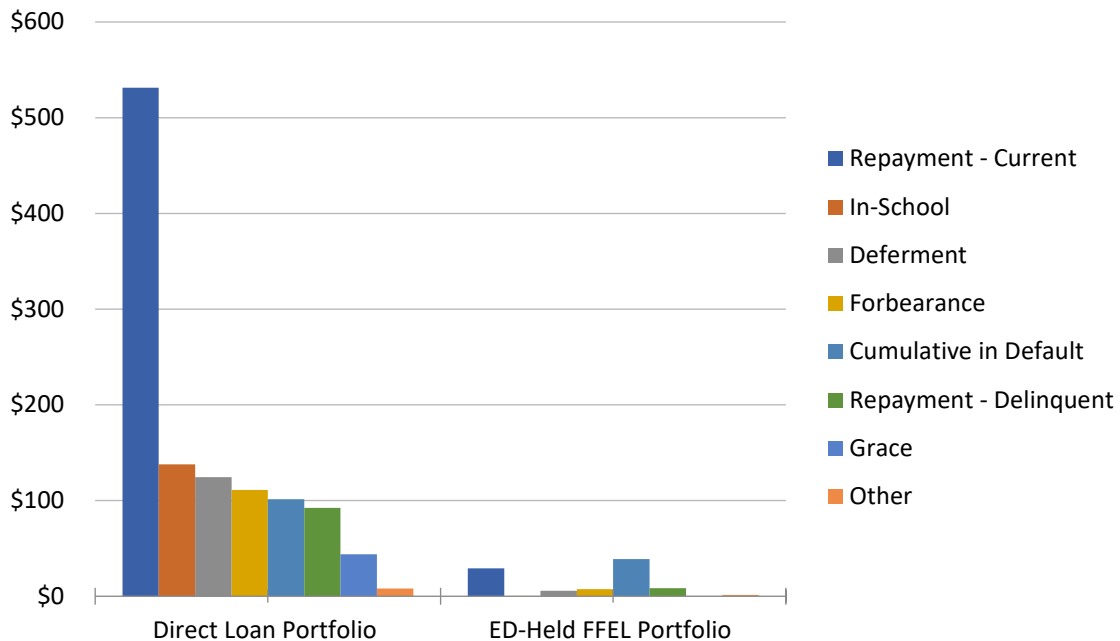
Figure 10. Percentage of Direct Loan Dollars Outstanding by Loan Status, as of Sept. 30, 2018



Note: Data includes outstanding principal and interest balances. Data is run at the end of each quarter listed by federal fiscal year, in this case 2018 Q4. Numbers for FSA tables on loan status and delinquency status may differ due to rounding and the timing of data runs. Calculation of current and delinquent repayment by NASFAA; FFEL total in repayment is \$174.5 billion but could not be broken out by delinquency status.

Source: National Student Loan Data System (NSLDS), available from FSA Data Center (<https://studentaid.ed.gov/sa/about/data-center/student/portfolio>).

Figure 11. Dollars Outstanding (in billions), by Loan Status, as of Sept. 30, 2018

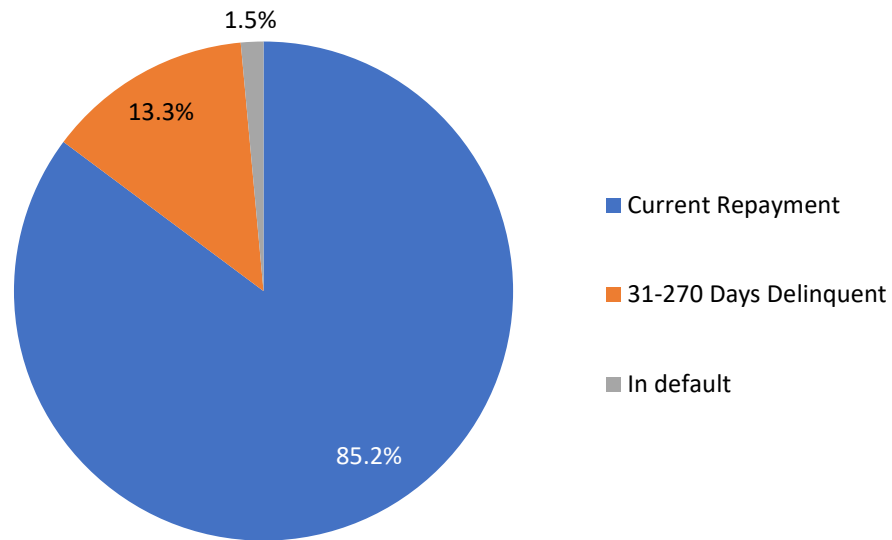


Note: Includes outstanding principal and interest balances. Data is run at the end of each quarter listed by federal fiscal year, in this case 2018 Q4. Numbers for FSA tables on loan status and delinquency status may differ due to rounding and the timing of data runs. Calculation of repayment current and delinquent by NASFAA.

Source: National Student Loan Data System (NSLDS), available from FSA Data Center (<https://studentaid.ed.gov/sa/about/data-center/student/portfolio>).

Delinquency Status: A delinquency period for federal student loan borrowers begins the day after they miss a payment. As of September 2018, 18% of borrowers in repayment were in a delinquency status, meaning they had missed a payment and as of Sept. 30, 2018 had not restarted making on-time payments. This accounted for \$100.89 billion of the \$560.3 billion in repayment.

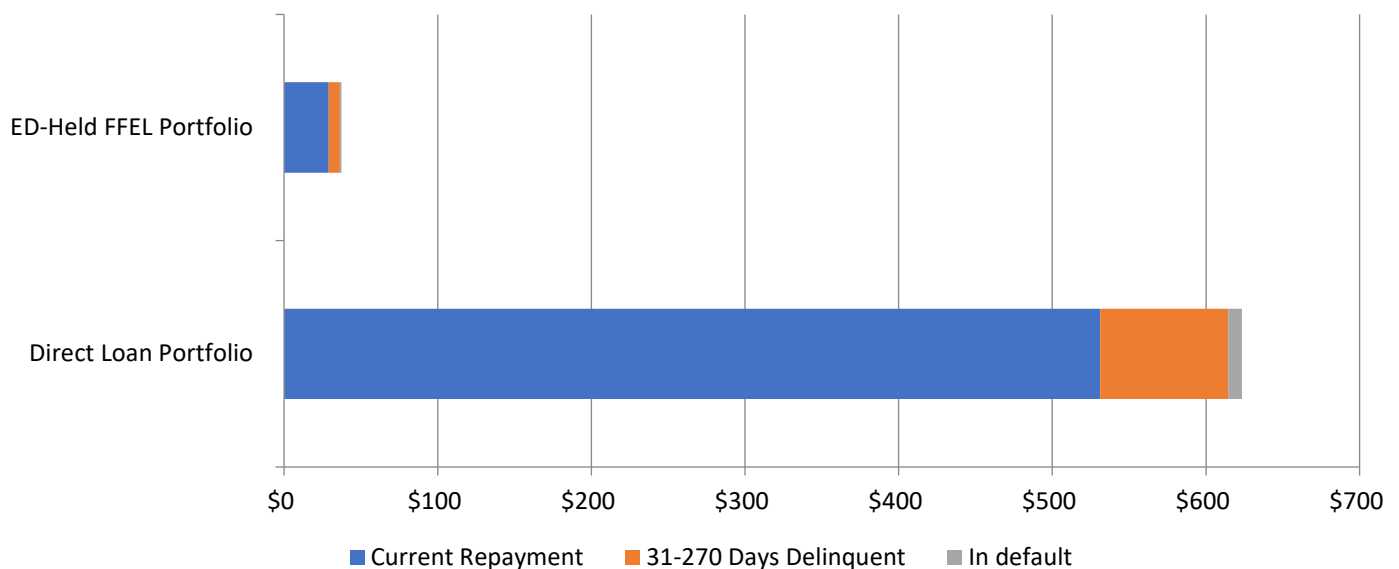
Figure 12. Percentage of Dollars Outstanding for Borrowers in Repayment Status, by Delinquency Status, as of Sept. 30, 2018



Note: Includes outstanding principal and interest balances. The category for In Default includes technical default (271 days delinquent), default (361 days delinquent), and loans transferring to the Debt Management and Collections System.

Source: National Student Loan Data System (NSLDS), available from FSA Data Center (<https://studentaid.ed.gov/sa/about/data-center/student/portfolio>).

Figure 13. Distribution of Direct Loan Dollars Outstanding (in billions) for Borrowers in Repayment Status, by Delinquency Status, as of Sept. 30, 2018



Source: National Student Loan Data System (NSLDS), available from FSA Data Center (<https://studentaid.ed.gov/sa/about/data-center/student/portfolio>).

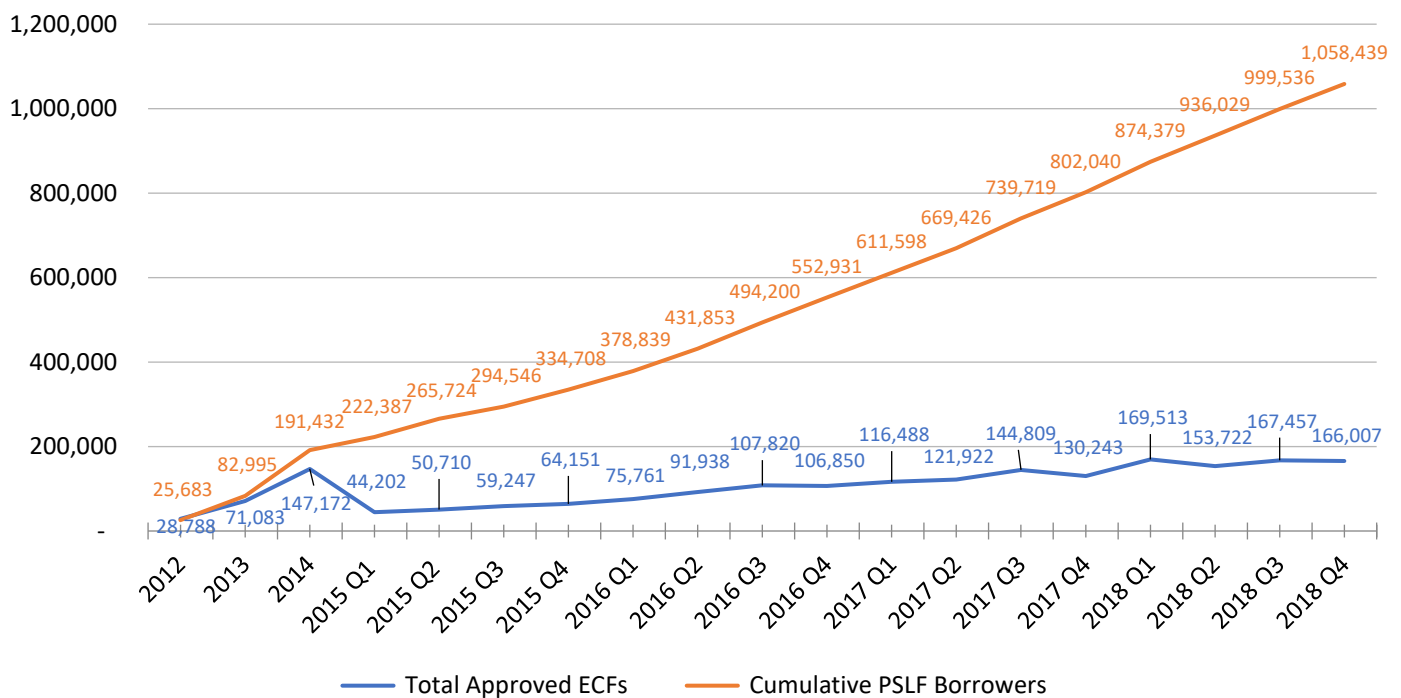
Public Service Loan Forgiveness

Program Description: Public Service Loan Forgiveness (PSLF) is a federal program that allows Direct Loan borrowers who are working full-time in the public service sector to have the remainder of their Direct Loan balances forgiven after making 120 qualifying payments. The program was created in 2007 under the College Cost Reduction and Access Act as a way to provide relief to professionals working in government, state, local, and not-for-profit sector jobs.

Beyond having a qualifying workplace, borrowers must also be enrolled in a qualified repayment plan and complete the “PSLF Application for Forgiveness” to be eligible for forgiveness. As only loan payments made after Oct. 1, 2007 qualify toward the 120 required payments, the first PSLF recipients received forgiveness in 2017. Submission of the ECF on an annual basis is voluntary, and ED tracks submission of ECFs as an indicator of interest in, and potential eligibility for, PSLF. Submission of one or more ECFs does not necessarily indicate that a borrower will ultimately receive forgiveness. As of March 2019, 864 applications were approved¹. This accounts for 1% of the borrowers who applied for PSLF². In March 2018, the Consolidated Appropriations Act of 2018 provided limited, additional conditions under which borrowers may be eligible for PSLF if loan payments were made under a non-qualifying repayment plan. This reconsideration is called Temporary Expanded Public Service Loan Forgiveness (TEPSLF). As of March 2019, 442 applications for TEPSLF have been approved, accounting for 4% of applications³.

Republicans have eyed eliminating the program in recent years. President Trump proposed eliminating PSLF for new borrowers in his fiscal year 2019 budget. In addition, the Promoting Real Opportunity, Success, and Prosperity through Education Reform (PROSPER) Act, the House Republicans’ comprehensive Higher Education Act (HEA) reauthorization bill, proposes ending the PSLF program with some grandfathering provisions.

Figure 14. Public Service Loan Forgiveness Employment Certification Forms (ECFs) 2012-2018



Note: includes only borrowers who have self-identified as interested in PSLF based on their submission of an Employment Certification Form. The Department of Education introduced a voluntary ECF in January 2012 to help borrowers track their progress toward meeting PSLF requirements. Borrowers are encouraged, but not required, to submit an ECF annually. Cumulative PSLF borrowers are borrowers who have one or more approved ECFs. Quarters are based on calendar year.

Source: FedLoan Servicing, available from FSA Data Center (<https://studentaid.ed.gov/sa/about/data-center/student/portfolio>).

¹ Federal Student Aid Data Center Pre-March 2019 PSLF Report <https://studentaid.ed.gov/sa/about/data-center/student/loan-forgiveness/pslf-data>
² Federal Student Aid Data Center Pre-March 2019 PSLF Report <https://studentaid.ed.gov/sa/about/data-center/student/loan-forgiveness/pslf-data>
³ Federal Student Aid Data Center Pre-March 2019 PSLF Report <https://studentaid.ed.gov/sa/about/data-center/student/loan-forgiveness/pslf-data>

Federal Need Analysis

Description: The application for all Title IV programs is the Free Application for Federal Student Aid (FAFSA), which collects demographic, income, and asset information from aid applicants and their families. The U.S. Department of Education (ED) uses this information to confirm students' general eligibility to receive Title IV funds and calculates an index, called the Expected Family Contribution (EFC), that schools use as one of several factors to determine the amount of financial aid a student may receive during a given award year.

The EFC is determined by a need analysis formula established under Title IV of the Higher Education Act (HEA); the formula is called the Federal Methodology (FM). Parents of dependent students are expected to provide financial information on the FAFSA and to contribute some amount, if they are able — as determined by the calculation, to the financing of their child's education.

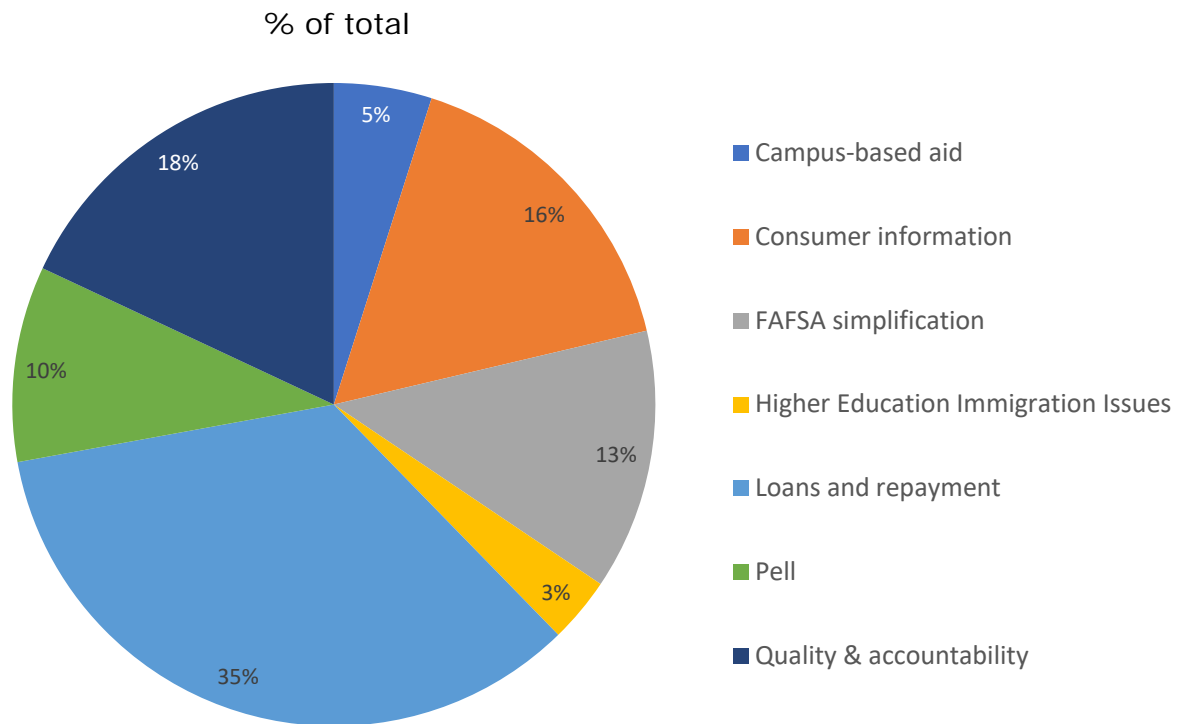
In September 2015, President Barack Obama and then-Secretary of Education Arne Duncan announced their intention to use their existing authority in the HEA [Sec. 480(a)(B)(1)] to adjust the year of income tax data used to determine federal aid eligibility, a move supported by NASFAA and other higher education advocates. Before, the FM calculated a student's financial need using prior year income data. On Oct. 1, 2016, FM began using income data from the prior-prior year ("PPY") and the FAFSA release date moved up from January 1 to October 1 of the previous year, giving students three extra months to work on and submit their FAFSA.

Use: Financial aid administrators use the EFC and other information to determine which students will receive federal student aid authorized under Title IV of the HEA and the amounts they will receive from these programs. Students are eligible to receive need-based federal student aid (Federal Pell Grant, FWS, FSEOG, and Direct Subsidized Loans) only if the sum of the EFC and other estimated financial assistance is less than the total Cost of Attendance (COA). The COA includes tuition and fees, estimated living expenses, books and educational supplies, transportation to and from the postsecondary institution, and other miscellaneous expenses.

Legislation Introduced in Congress on Student Aid Topics in 2018

In 2018, members of both the U.S. House of Representatives and the U.S. Senate introduced a total of 61 bills on student aid-related issues. When categorized by topic, Congress demonstrated a commitment to addressing student loans and repayment, quality and accountability, and consumer information and transparency (34%, 18%, and 16% of legislation introduced on student aid topics addressed these issues, respectively).

Figure 15. Bills Introduced in 2018 by Topic



Source: NASFAA Legislative Tracker

Fiscal Year 2019 Budget and Appropriations Update

Each year, Congress must go through the process of determining funding levels for most of the federal student aid programs. Fiscal year (FY) 2019 funding, which impacts the 2019-20 award year, was finalized by Congress and signed into law by President Trump in September 2018 in the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019. The measure included a \$100 increase to the maximum Pell Grant award and level funding for other student aid programs.

Funding for the Pell Grant program comes from both discretionary (subject to the annual appropriations process) and mandatory (set in law) funding streams. Through the appropriations process, Congress has agreed to level-fund the discretionary base maximum Pell Grant award at \$4,860 since 2009-10. However, because the mandatory annual inflation adjustment add-on to the maximum award expired after FY 2017, which would have left the add-on at \$1,060 (resulting in a \$5,920 total maximum grant), Congress opted to increase the discretionary base maximum to \$5,035 in FY 2018 and to \$5,135 in FY 2019. Combined with the \$1,060 mandatory add-on, the total maximum Pell Grant award for FY 2019, award year 2019-20, stands at \$6,195, a \$100 increase over FY 2018.

The chart below highlights Pell Grant funding over the last three fiscal years.

Program	FY 2017	FY 2018	FY 2019	Change from FY 2018 to FY 2019
Pell Grant (discretionary)	\$22,475,352,000	\$22,475,352,000	\$22,475,352,000	\$0
Pell Grant maximum award	\$5,920	\$6,095	\$6,195	+\$100

The spending package included the Deferment for Active Cancer Treatment Act. This language would allow federal student loan borrowers, including Federal Family Education Loan (FFEL), Perkins, and Direct Loan borrowers, who are receiving cancer treatment to receive interest-free deferment on their federal loan payments while undergoing treatment for cancer and in the six months following treatment.

In the final FY 2019 agreement, both the Federal Supplemental Educational Opportunity Grant (FSEOG) program and the Federal Work-Study (FWS) program received the same allocation as in FY 2018. The funding for FSEOG and FWS are highlighted in the following chart.

Program	FY 2017	FY 2018	FY 2019	Change from FY 2018 to FY 2019
FSEOG	\$733,130,000	\$840,000,000	\$840,000,000	\$0
FWS	\$989,728,000	\$1,130,000,000	\$1,130,000,000	\$0

The spending agreement again included adjustments to the Public Service Loan Forgiveness (PSLF) program, setting aside another \$350 million to allow Direct Loan borrowers who made 120 otherwise qualifying payments — but under an extended or graduated repayment plan instead of another approved plan — to qualify for loan cancellation under PSLF. Certain graduated or extended monthly payments that fell below the amount specified under the standard 10-year plan can now qualify for forgiveness. The FY 2018 funding bill included \$350 million for this initiative for a total of \$700 million over the last two fiscal years. The spending package instructed the U.S. Department of Education (ED) to develop a simple method for borrowers to apply for forgiveness under the new provisions, and approved \$2.3 million for ED to reach out to borrowers who would otherwise qualify for PSLF but are enrolled in an ineligible repayment plan.

The higher education community continues to advocate for adequate funding of the federal student aid programs.

Conclusion

Since enactment of the HEA in 1965, federal financial aid has been a central and critical pathway for college access. Given the importance of federal financial aid, this booklet serves as a resource describing six prominent Title IV programs. While these financial aid programs may have changed over time, the general principles of each program have stayed the same.

NASFAA hopes the information in this booklet is helpful to you. You may find a more detailed version of this document online at www.nasfaa.org. We also have produced other publications that help students and families find ways to pay for postsecondary education. Should you need any additional information, please contact us at policy@nasfaa.org or 202.785.0453.

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NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

1801 PENNSYLVANIA AVENUE, NW, SUITE 850

WASHINGTON, DC 20006-3606

202.785.0453 | fax 202.785.1487 | WWW.NASFAA.ORG