# FEDERAL STUDENT AID PROGRAM SUMMARY FOR 2027-28

Most federal student aid is need-based, taking into account the student aid index (SAI), determined by information provided on the Free Application for Federal Student Aid (FAFSA®). Need-based financial aid comes in three basic types:

1. **Grants and scholarships** are considered gift aid and generally do not have to be paid back (sometimes a repayment is required if a student withdraws);
2. **Work-study** is money that the student earns by working part-time while in school; and
3. **Loans** are funds that the student (or a parent) borrows and must be paid back, usually after the student leaves school.

The following chart details the main federal student aid programs administered by the U.S. Department of Education (ED). Not all schools participate in each of the programs listed.

| Program | Description | Application | Annual / Aggregate Amounts | Eligibility* | Repayment Required |
|---|---|---|---|---|---|
| **Federal Pell Grant** | • Need-based grant program<br>• Portable<br>• Schools receive Federal Pell Grant funds from ED as needed to pay eligible students | Free Application for Federal Student Aid (FAFSA) required annually | • Annual minimum and maximum vary, as set by Congress<br>• $740 minimum for 2026-27[1]<br>• $7,395 maximum for 2026-27[1]<br>• Receive for a maximum of 12 full-time semesters<br>• Adjusted for enrollment intensity | • Undergraduate students without first baccalaureate or professional degree<br>• Certain students enrolled in a post-baccalaureate teaching certification program<br>• Based on family size, adjusted gross income (AGI) limits, federal poverty guidelines, and calculated SAI from the FAFSA<br>• Special Rule for Pell Grants: Criteria used to determine Pell Grant eligibility for students whose parent or guardian died in the line of duty while (a) serving on active duty as a member of the Armed Forces on or after September 11, 2001; or (b) actively serving as and performing the duties of a public safety officer; and is less than 33 years old as of the January 1 prior to the award year for which the applicant is applying (e.g., for the 2027-28 award year, a student must be less than 33 years old as of January 1, 2027, to be eligible). Eligible students receive a maximum Pell Grant regardless of SAI | No |

**In addition to the general student eligibility requirements*

*[1]Federal grant amounts for 2027-28 have not yet been passed by Congressional legislation. Direct Loan interest rates and origination rates for 2027-28 will not be published until late Spring 2027.*

| Program | Description | Application | Annual / Aggregate Amounts | Eligibility* | Repayment Required |
|---|---|---|---|---|---|
| **Federal Pell Grant (continued)** | | | | • Students with intellectual disabilities enrolled in comprehensive postsecondary transition programs<br>• Confined or incarcerated students, if enrolled in an eligible prison education program (PEP)<br>• Workforce Pell Grant for students enrolled in eligible programs that prepare students for entry-level employment[2]<br>• SAI cannot exceed twice the maximum Pell Grant amount (except for students qualifying under Special Rule for Pell Grants)<br>• Students are not eligible if they receive scholarships and grants from nonfederal sources that cover full COA | |
| **Federal Supplemental Educational Opportunity Grant (FSEOG)** | • Need-based campus-based grant program<br>• Funds provided by institution | FAFSA required annually | • $100 annual minimum (may be prorated for less than full-year enrollment)<br>• $4,000 annual maximum (students on approved study abroad programs may receive up to $4,400)<br>• No aggregate limit | • Undergraduate students without baccalaureate or professional degree<br>• Students with intellectual disabilities enrolled in comprehensive postsecondary transition programs<br>• First priority given to Federal Pell Grant recipients with "exceptional financial need" | No |

**In addition to the general student eligibility requirements*

*[1]Federal grant amounts for 2027-28 have not yet been passed by Congressional legislation. Direct Loan interest rates and origination rates for 2027-28 will not be published until late Spring 2027.*

*[2]Depending on institutional participation*


© 2026 National Association of Student Financial Aid Administrators

| Program | Description | Application | Annual / Aggregate Amounts | Eligibility* | Repayment Required |
|---|---|---|---|---|---|
| **Teacher Education Assistance for College and Higher Education (TEACH) Grant[2, 3]** | • Grant program<br>• Portable[2]<br>• Conditional[3] | FAFSA required annually | • $4,000 annual maximum reduced by 5.7%, or $3,772, for grants first disbursed on or after October 1, 2020, and before October 1, 2027[1]<br>• $16,000 undergraduate aggregate limit (includes postbaccalaureate)<br>• $8,000 graduate aggregate limit | • Agree to teach full time in a high-need field for at least 4 years within 8 years of graduation at a school serving a high percentage of low-income students (Title I schools)[2]<br>• Have and maintain 3.25 grade point average (GPA) on a 4.0 scale, or have scored above 75th percentile on single battery of nationally normed undergraduate, postbaccalaureate, or graduate admissions test<br>• GPA/score requirements do not apply to:<br>➢ Current teachers working on graduate degrees or retirees from other occupations with expertise in high-need fields working on graduate degrees<br>➢ Current or retired teachers completing a high-quality alternate route teacher certification program | Repayment required if student does not fulfill teaching requirement; grant funds become a Federal Direct Unsubsidized Loan |

**In addition to the general student eligibility requirements*

*[1]Federal grant amounts for 2027-28 have not yet been passed by Congressional legislation. Direct Loan interest rates and origination rates for 2027-28 will not be published until late Spring 2027.*

*[2]Depending on institutional participation*

*[3]Failure to meet teaching obligation results in conversion of grand to Direct Unsubsidized Loan.*

| Program | Description | Application | Annual / Aggregate Amounts | Eligibility* | Repayment Required |
|---|---|---|---|---|---|
| **Federal Work-Study (FWS)[2]** | • Need-based campus-based employment program<br>• Funds offered by institution | FAFSA required annually | • No program minimum or maximum<br>• Offered amount is dictated by school policy | • Undergraduate and graduate students<br>• Students with intellectual disabilities enrolled in comprehensive postsecondary transition programs<br>• Students enrolled at least half time in coursework required by a state for teacher certification<br>• Funds paid to the student throughout the year based on the number of hours worked | No |

**In addition to the general student eligibility requirements*

*[2]Depending on institutional participation*


© 2026 National Association of Student Financial Aid Administrators

| Program | Description | Application | Annual / Aggregate Amounts | Eligibility* | Repayment Required |
|---|---|---|---|---|---|
| **Federal Direct Student Loan—Direct Subsidized and Direct Unsubsidized Loans[2]** | • Originated by school with funds from federal government<br>• Need-based subsidized loan supplemented by non-need-based unsubsidized loan up to combined limit<br>• 6.52% interest rate for Direct Subsidized and Unsubsidized Loans for undergraduate students in 2026-27[1] | • FAFSA required annually<br>• Master Promissory Note (MPN)<br>• Entrance Counseling (if first-time borrower) | **Annual Loan Limits:**<br>• $3,500 1st-year undergraduates<br>• $4,500 2nd-year undergraduates<br>• $5,500 each remaining undergraduate year<br>• Undergraduate annual limits prorated for programs and remaining periods of enrollment less than an academic year<br>• $2,625 for preparatory coursework necessary to enroll in undergraduate program[4]<br>• $5,500 for preparatory coursework necessary to enroll in graduate or professional degree program if already have baccalaureate[4]<br>• $5,500/year for teacher certification if already have baccalaureate<br>• Actual amount of subsidized loan cannot exceed cost of attendance (COA) – SAI – other aid<br>• Actual amount of unsubsidized loan cannot exceed COA – other aid | • Undergraduate and graduate students enrolled at least half time<br>• Must first have determination of eligibility/ineligibility for Federal Pell Grant<br>• Must determine eligibility for Direct Subsidized Loan before determining eligibility for Direct Unsubsidized Loan<br>• Interest subsidy for undergraduates during at least half-time enrollment, grace period for certain loans, and deferment periods for subsidized loans<br>• Unsubsidized funds may be used to replace SAI<br>• Under certain conditions to students enrolled in:<br>➢ Coursework required by a state for teacher certification<br>➢ Preparatory coursework[4]<br>• Loans prorated for less-than-full-time enrollment (undergraduate and graduate and professional students)<br>• Schools may establish program-level loan limits that are lower than federal limits | • Yes; begins 6 months after cessation of at least half-time enrollment<br>• Deferment possible<br>• Interest accrues on unsubsi-dized loan from date of disburse-ment |

**In addition to the general student eligibility requirements*

*[1]Federal grant amounts for 2027-28 have not yet been passed by Congressional legislation. Direct Loan interest rates and origination rates for 2027-28 will not be published until late Spring 2027.*

*[2]Depending on institutional participation*

*[4]Direct Loan eligibility is limited to one 12-month period for students enrolled in preparatory coursework.*

| Program | Description | Application | Annual / Aggregate Amounts | Eligibility* | Repayment Required |
|---|---|---|---|---|---|
| **Federal Direct Student Loan—Direct Subsidized and Direct Unsubsidized Loans[2] (continued)** | • 8.07% for Direct Unsubsidized Loans for graduate/ professional students in 2026-27[1]<br>• Interest rates subject to change July 1 each award year<br>• 1.057% origination fee for loans first disbursed on or after October 1, 2020, and before October 1, 2027[1] | | **Aggregate Loan Limits:**<br>• Dependent undergraduates whose parents **can borrow** PLUS: $31,000, of which only $23,000 can be in subsidized amounts<br>• Dependent undergraduates whose parents **cannot borrow** PLUS and independent undergraduates: $57,500, of which no more than $23,000 can be in subsidized amounts<br>• Graduate students: $100,000<br>• Professional students: $200,000<br>• No more than $65,500 can be in subsidized amounts (graduate and professional)[5]<br>**Lifetime Loan Limit** (excluding parent PLUS borrowed on behalf of a dependent student): $257,500 | • Graduate and professional aggregate limits do not include loans borrowed for undergraduate study | |

_____

**In addition to the general student eligibility requirements*

*[1]Federal grant amounts for 2027-28 have not yet been passed by Congressional legislation. Direct Loan interest rates and origination rates for 2027-28 will not be published until late Spring 2027.*

*[2]Depending on institutional participation*

*[5]Effective with periods of enrollment beginning on or after 7/1/12, graduate and professional students are not eligible to borrow Direct Subsidized Loans.*


© 2026 National Association of Student Financial Aid Administrators

| Program | Description | Application | Annual / Aggregate Amounts | Eligibility* | Repayment Required |
|---|---|---|---|---|---|
| **Direct Loan—Additional Unsubsidized Loan[2]** | • Non-need-based loan<br>• Limits are in addition to the "base" limits for subsidized and unsubsidized loans described above<br>• Interest rates and origination fee same as Direct Unsubsidized Loans described above | • FAFSA required annually<br>• MPN<br>• Entrance Counseling (if first-time borrower) | **Annual Loan Limits:**<br>Dependent undergraduates whose parents **can borrow** PLUS:<br>• $2,000/year<br>• Undergraduate annual limits prorated for programs or remaining periods of enrollment less than an academic year<br>Independent undergraduate students and dependent students whose parents **cannot borrow** PLUS:<br>• $6,000/year 1st and 2nd undergraduate year<br>• $7,000 each remaining undergraduate year<br>• Undergraduate annual limits prorated for programs or remaining periods of enrollment less than an academic year<br>• $7,000/year for teacher certification<br>• $6,000 for preparatory coursework necessary to enroll in undergraduate program[4]<br>• $7,000 for preparatory coursework necessary to enroll in graduate or professional degree program if already have baccalaureate[4] | • Must first have determination of eligibility/ineligibility for Federal Pell Grant<br>• Must determine eligibility for Direct Subsidized Loan before determining eligibility for additional Direct Unsubsidized Loan<br>• May be used to replace SAI<br>• Loans prorated for less-than-full-time enrollment (undergraduate and graduate and professional students)<br>• Schools may establish program-level loan limits that are lower than federal limits | Yes; same as Direct Subsidized Loan |

**In addition to the general student eligibility requirements*

*[2]Depending on institutional participation*

*[4]Direct Loan eligibility is limited to one 12-month period for students enrolled in preparatory coursework.*

| Program | Description | Application | Annual / Aggregate Amounts | Eligibility* | Repayment Required |
|---|---|---|---|---|---|
| **Direct Loan—Additional Unsubsidized Loan[2] (continued)** | | | **Aggregate Loan Limits:**<br>• Dependent undergraduates whose parents **can borrow** PLUS: $31,000, of which no more than $23,000 can be in subsidized amounts<br>• Independent undergraduate students and dependent undergraduates whose parents **cannot borrow** PLUS: $57,500, of which no more than $23,000 can be in subsidized amounts<br>• Graduate students: $100,000<br>• Professional students (including loans for graduate study): $200,000<br>• No more than $65,500 can be in subsidized amounts (graduate and professional)[5]<br>**Lifetime Loan Limit** (excluding parent PLUS borrowed on behalf of a dependent student): $257,500 | • Actual amount of loan cannot exceed COA minus other aid including loans received under base limit<br>• Graduate and professional aggregate limits do not include loans borrowed for undergraduate study<br>• Interim exception provision for graduate and professional students with loans made prior to July 1, 2026, allows borrowing under previous annual/aggregate loan limits for 3 academic years or remaining time to credential, whichever is less | |

**In addition to the general student eligibility requirements*

*[2]Depending on institutional participation*

*[5]Effective with periods of enrollment beginning on or after 7/1/12, graduate and professional students are not eligible to borrow Direct Subsidized Loans.*


© 2026 National Association of Student Financial Aid Administrators

| Program | Description | Application | Annual / Aggregate Amounts | Eligibility* | Repayment Required |
|---|---|---|---|---|---|
| **Direct PLUS[2]** | • Originated by school with funds from federal government<br>• 9.07% for parent and graduate PLUS in 2026-27[1]<br>• Interest rates subject to change July 1 each award year<br>• 4.228% origination fee for loans first disbursed on or after October 1, 2020, and before October 1, 2027[1] | • FAFSA required annually<br>• PLUS MPN | **Annual Loan Limits:**<br>• Parent borrowers on behalf of a dependent student: $20,000/year per dependent student (combined limit)<br>• Actual amount of loan cannot exceed COA minus other financial assistance student expects to receive<br>**Aggregate Loan Limits:**<br>Parent borrowers on behalf of a dependent student:<br>• $65,000 per dependent student (combined limit) | • Natural and adoptive parents (and stepparents, if married to the biological parent) of eligible dependent undergraduates enrolled at least half time<br>• No adverse credit history<br>• Must not be in default on a federal loan<br>• Must be a U.S. citizen or eligible noncitizen<br>• May be used to replace SAI<br>• Under certain conditions for enrollment in preparatory coursework[4] or coursework required by a state for teacher certification<br>• Effective July 1, 2026, graduate PLUS program is eliminated for new borrowers<br>• Legacy provision for borrowers (parent and graduate and professional students) with PLUS loans made prior to July 1, 2026, allows borrowing under previous loan limits for 3 academic years or remaining time to credential, whichever is less | • Yes; first payment due within 60 days after loan is fully disbursed<br>• Deferment available |

**In addition to the general student eligibility requirements*

*[1]Federal grant amounts for 2027-28 have not yet been passed by Congressional legislation. Direct Loan interest rates and origination rates for 2027-28 will not be published until late Spring 2027.*

*[2]Depending on institutional participation*

*[4]Direct Loan eligibility is limited to one 12-month period for students enrolled in preparatory coursework.*