Types of Law School Financial Assistance

Scholarships and Grants
A scholarship or grant is an award that typically does not have to be repaid. Grants are awards based on need. Scholarships are awarded based on a variety of criteria including financial need, academic merit, special interest, etc. Most scholarships are conferred by individual law schools. You will have to take the initiative in researching these possible scholarship resources. Additionally, a number of companies offer tuition reimbursement benefits to their employees and to their employees’ dependents as well. A collection of financial aid web resources (link to financial aid web resources page) is available to help get you started in this process.

Federal Educational Loans
Federal Educational Loans are funded and insured by the federal government. There are three types of federal loans available to law students: the Federal Stafford and Ford Loans, the Federal Perkins Loan, and the Graduate PLUS Loans for Law Students.

Federal Stafford and Ford Loan (Subsidized)
Up to $8,500 a year is available in subsidized Federal Stafford or Ford Loans to students who meet the need criteria.* Interest is paid by the federal government while you are enrolled in school at least half-time. You must begin repaying the loan six months after you graduate, withdraw, or drop below half-time. You can obtain an application from any lender that participates in the federal loan program, or from any law school. The total amount of debt a law student can acquire from the Stafford loan program is $138,500 with $65,500 of that money from subsidized loans.

Federal Stafford and Ford Loan (Unsubsidized)
In combination with the subsidized loan, a student may borrow up to a combined total of $20,500 in subsidized and unsubsidized loans.* The amount the student receives in the subsidized loan is deducted from the $20,500 in order to determine eligibility for the unsubsidized loan (for example, if the student is only eligible for $3,000 in subsidized loans, he or she could receive $17,500 in unsubsidized loans).

Federal Perkins Loan
This loan is available to students at some schools. Each student's award is determined by the school based on financial need information obtained from the FAFSA. The maximum annual loan is $6,000, with an aggregate of $40,000.

Graduate PLUS Loans for Business Students
Law students with an absence of bad credit may be eligible to borrow a Graduate PLUS loan. The PLUS is federally guaranteed and the interest rate is subsidized. Interest accrues while the student is in school, and repayment begins immediately. The interest rate is 8.5 percent (FFEL) or 7.9 percent (Direct) fixed for the life of the loan. Forbearance is available while the student is in school. Many students who have good credit are choosing Graduate PLUS instead of private loans.

*All figures and calculations are based on current interest rates, loan terms, and fees, and are subject to change.
**Private Loans**

Private loans are not need-based. These loans may be taken out alone or as a supplemental loan to others. They are approved on the basis of your credit. Lenders will analyze your credit report before approving a private loan. If you have a poor credit history, you may be denied a loan. You may wish to clear up any possible credit errors or other discrepancies before you apply for a private loan.

You can order a copy of your credit report by calling 1 (877) 322-8228 or go to [www.annualcreditreport.com](http://www.annualcreditreport.com). You may also mail a request to Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281.

The terms and conditions of these programs vary greatly. Pay careful attention to the explanations found in loan application brochures and consumer information (available from the financial aid office of any business school). You can also contact the individual programs or visit their websites for further details.

Credit Report Resources:
- [Free Annual Credit Report](http://www.annualcreditreport.com)
- Equifax
- Experian
- TransUnion