



2011 Getting Uncle Sam to Pay for Your College Degree

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Introduction

If you think college is expensive, try ignorance. A college education could be worth a million dollars to you in income alone. One million dollars is the difference in average lifetime earnings between those who obtain a college degree and those who don't. Throw away your chance at a college education, and you are virtually throwing away a million dollars!

But what you learn in college is worth more than just money. In college, you not only learn how to conduct independent research, you also begin to acquire the understanding and cultural acquisitions which are the hallmark of an educated person. You learn how to get more out of life. You also form lifetime friendships, and valuable connections that will enhance your life and career.

Of course, college is not the only place you learn about life. There is much to be said for the experience gained in the "school of hard knocks". Ultimately, experience is the only teacher. But in college, you learn how to learn from the experience of others; this is the beginning of the wisdom you have earned the right to acquire.

As a member of the military community, you have access to enormous educational benefits. Hundreds of millions of dollars are available in scholarship money. The individual student can get over \$71,000 for school.

Use the education benefits you've earned through your service! A nation who is grateful for your service wants you to take full advantage of these opportunities. This unique guide shows you how. It gives you the information you need to move forward with your educational goals – and will be your trusted reference guide as you make decisions that will benefit you and your family, building a better future for you and our nation. Here you will learn about the many opportunities to finance your education, both from the U.S. government and other institutions. We'll explain just how the scholarship game is played, share secrets of those who win it big in this game, guide you to invaluable scholarship resources, warn you of scams and pitfalls to watch out for, explain how to put your education on the fast track, and – most important – show you how to create your own winning game plan and put it into action.

We wish you the best of luck.

– *The Military Handbooks Staff*

An Overview of Educational Benefits

Many people have far more financial aid options than they realize, according to *Winning Scholarships for College: An Insider's Guide*. These range from forty Westinghouse scholarships of \$1,000 to \$40,000 for gifted math and science students (call 202-785-2255 for more information), to the far-out, like the 18 or so \$300 to \$500 scholarships awarded each year by the Hilgenfeld Foundation for Mortuary Education (P.O. Box 4311, Fullerton, Calif. 92834) for students interested in the funeral industry.

There are many resources available to Americans who yearn for higher education and the better life it brings. One of the most important was a product of war. On June 22, 1944, President Franklin Delano Roosevelt signed into law one of the most significant pieces of legislation ever produced by the United States government: The Servicemembers' Readjustment Act of 1944, commonly known as the GI Bill of Rights. By the time the original GI Bill ended in July 1956, 7.8 million World War II veterans had participated in an education or training program and 2.4 million veterans had home loans backed by VA. Today, the legacy of the original GI Bill lives on in the Montgomery GI Bill.

For over six decades, the law has made possible the investment of billions of dollars in education and training for millions of veterans, and the nation has in return earned many times the investment through greater earnings from taxes and a dramatically enhanced society. If anyone ever doubted that education is the best investment, this great social experiment established the principle beyond question.

The law also made possible the loan of billions of dollars to purchase homes for millions of veterans, and helped to transform the majority of Americans from renters to homeowners, not only increasing the wealth of individuals but providing a solid foundation for a secure and stable society.

The Veterans Administration (VA) was responsible for carrying out the law's key provisions: education and training, loan guaranty for homes, farms or businesses, and unemployment pay. Today, the VA continues to administer modern equivalents of these services for our nation's veterans. These same veterans are also eligible for a huge pool of other scholarships. To know how to pursue these opportunities requires understanding what could be called the "scholarship game". There is a great deal of misunderstanding about how this game is played. In the next chapter, we'll begin by examining some common misconceptions.

Scholarship Myth Busting

More often than not, what everyone “knows” about the scholarship game is false. To give yourself the best chance of winning the scholarship game, it’s crucial to have a clear picture of how it is played. A misunderstanding of the realities of financing higher education keeps many people from the success they deserve. In particular, the following five myths are problematic:

Myth #1 - It’s hard to get free money for college.

The truth is that just about anyone can get free money to go to college. All it takes is three things. First, educate yourself about the process. Learn how the game is played. Second, complete the applications properly. Third, follow up. So the main rule in the free college money game is simply: Apply! It costs you nothing but some postage and some hours of work. So long as you meet the basic requirements, apply for as many grants and scholarships as you can possibly handle.

To cash in, you need to know how the system works. You need to know who gives the money away, why they do it, and what they want in return. Then start doing the research, identify and prioritize the best scholarships for you, do a good job on as many applications as you can manage, and send them out. Maybe it's not quite as easy as buying lottery tickets, but your chances are much better and you don't have to pay for a ticket!

Myth #2 - Only brainiacs with 4.0 grades win merit scholarships.

You don’t have to be Einstein to win lucrative merit scholarships. They go to all kinds of students. Some of the biggest awards go to students who dedicate themselves to such activities as music, drama, community service, graphic and web design, science, speech, leadership, and photography. If you have a passion for a topic, the chances are excellent that financial help is available to help you master it.

The good news is that many of these awards are grade neutral. They don’t even consider your grades in making the grant. Plus, many of those that consider GPAs use them only as a preliminary filter. So as long as you have the minimum GPA – often as low as 2.5 – you’ve cleared the main hurdle and have as good a chance as the 4.0 student to win the scholarship.

Even programs that use GPA as a criterion consider other factors as well. In fact, some programs are famous for choosing students who lack top grades.

Myth #3 - Only those with a low-income status get financial help for college.

This error comes from confusing “need based” and “merit based” scholarships, not to mention failing to understand how the financial aid process works. Merit scholarships ignore financial need entirely. Your last name could be Rockefeller and you’d still qualify for a merit scholarship. And you don’t have to be brilliant to win a merit scholarship. They are awarded on the basis of talents, interest, achievements, activities, skills, and personal characteristics.

Beyond this, need based scholarships are not just for people living in low-income areas. College is so expensive today that millions of middle income families qualify for financial help. Another plus: the better, more expensive schools are more generous with financial aid. So, don’t be shy about applying to the most costly schools. If they want you, they won’t let your lack of money keep you out.

Myth #4 - Scholarships are only awarded to jocks and minorities.

While it can be true that having blond hair and blue eyes disqualifies you for certain scholarships, there are many awards that do not take into account your heritage. If you are a top-notch athlete, there is certainly a much larger pool of educational dollars available to you. But there is also a wide variety of scholarships available to non-athletes and those who aren't considered to be a minority. Scholarship donors try to encourage many different kinds of students from burger flippers to surfers, left-handed people to movie-makers. No matter what your background or skills, there is a scholarship for you.

Myth #5 - It's all over when you're graduated from high school.

Just because you did not accumulate a stunning academic record in high school doesn't mean you're not going to find financial help for school. No matter how far along you are in your educational journey, there are scholarships available to you. And once you actually get into college, there's a literal bonanza of opportunities. And remember, it's never too late to learn. Few scholarship programs have age requirements.

A Winning Game Plan

There are billions of dollars in scholarships for all kinds of students. No matter what your age, background, GPA, financial situation, or race, with a solid step-by-step game plan you can win big money to pay for the college of your dreams. Students who are showered with thousands of dollars in scholarships aren't necessarily smarter or luckier; they didn't just stumble over a pot of gold. In this area especially, you make your own luck. You need to do what is necessary to get lucky. Mainly identify scholarship opportunities and go after them aggressively.

Kinds of Scholarships

You need to know the differences between the types of sources of funding available for most college students. The three general types of scholarships are individual, state and loans.

Individual

While searching for the right college, ask admissions officers about scholarship prospects. Every school has different rules. Find out what scholarships are available, what you have to do to be considered and when the application deadline is. Schools are increasingly offering scholarships for reasons beyond academics and athletics, some for very specific kinds of students. Some of this information will be available on the school's Web page.

Make friends at the financial aid office. Usually, financial aid officers know a lot more about what scholarships are available than the admissions people. The particular academic department you're entering is another good source. Faculty members are likely to know about scholarships intended for their particular major and often have contacts outside the college. Some departments even have their own scholarships.

State Scholarships

Assistance beyond the usual tuition help is often available from state education agencies. Many students overlook these. Contact your state's higher education agency to find opportunities. To get started, do an online search of, e.g., "Connecticut Department of Education."

Loans

Not all loans need to be paid back. In some fields where there's a shortage of qualified professionals, you'll find forgivable loans. Under some conditions, you don't have to pay back the loan, plus these come with a guaranteed job after graduation. Offered by both government agencies and private employers, forgivable loans typically need not be paid back if the student agrees to work for the organization a certain amount of time.

Assuming you have the determination and motivation to carry it out, the first thing you need is a game plan. The first thing to understand is that this is a numbers game. Here is a math problem for you. If you submit fifty scholarship applications, you are how many times more likely to win a scholarship than if you submit just one application? If the tickets are free, would you rather have fifty lottery tickets or one? Put the numbers to work for you.

Here is the good news. It is not fifty times harder to submit fifty applications than it is to submit one. They're all pretty much alike. Once you've done all the work to get the information together for a single application, it's not hard to do another. And the centerpiece of your application – the thing that makes the big difference and is hardest to do: the scholarship essay – is a piece of cake to adapt for additional applications. You only need to write it once, then change its focus as needed for different schools and institutions.

The Scholarship Essay

One of the most important tools in searching for funds is the scholarship essay. You can't change who you are, but you can make your application something that shows you are more than just one of many.

Taking time to reflect on what you'll say in the application essay can show that you're not just following the pack. Examine the purposely vague essay questions and use them as a vehicle to cover various facets of your life including hobbies, personal experiences, leadership roles, and favorite activities.

Coming across as genuine in essays is vital. And officials agree that the main reason applicants get rejected is because the application is based on what they perceive admissions people want to hear instead of being truly authentic. Many people think schools are most concerned about the prettiness of the essays, but nothing could be further from the truth. It's not an essay writing contest; it's a personality revelation process.

Mixing Up the Essay

Those inside admissions offices at top schools acknowledge that while potential students are all held to the highest standards, applications are looked at on an individual basis. This gives each school an opportunity to assemble a diverse entering class. This means more wiggle room for those without perfect academic records.

To demonstrate individuality, write the essay out of chronological order by skipping the traditional introduction and get right into a unique story which veers away from an all-too-familiar background. You might focus on your experience in the military and how you would bring armed forces leadership skills to the school.

While high scores speak for themselves, the rest of an application should convey who you are and what you'll be like as a student. It's not all about grades and scores; it's important to show what you'll bring to the community.

The Scholarship Application

Here are some suggestions that can make a big difference in the results your application gets:

1. **Pay Attention to Details.** Most applications ask for your name, address, date of birth, and expected graduation date. Be careful - omitting information can cost you. For example, some applications ask students under 18 to have a parent or guardian sign the form. Applicants who ignore that will have a mark against them from the start.
2. **Be Concise, but Creative.** Judges will be impressed by *what* you write - not how *much* you write. Try to emphasize what makes you different from everybody else, and let your personality show through so judges can feel connected to you.
3. **Have Some Self-respect.** When explaining how you overcame a hardship, don't milk your difficulties. The judge should admire you and your achievements - not squirm in her seat as if she's passing a car wreck!
4. **Be Humble.** When reporting accomplishments, don't be cocky. Try to convey your dedication and skill, but also maintain modesty. Watch for a bragging tone.
5. **Do the Math.** If an application asks for your family's income or college expenses, make sure those financial numbers are correct and add up.
6. **Choose Your Recommendations Wisely.** Often, it's hard to pick scholarship winners from a pool of so many excellent entries. Outstanding letters of recommendations may make the difference. Help those writing these

letters do the best job possible. Give them a summary of your achievements, goals, and all the scholarship information.

7. **Don't Miss the Deadline.** After you work hard putting together the best application possible, make sure it gets read.
8. **Keep it Simple.** Do you choose big words when little ones will do? Do you prefer many words when a few will suffice? It's a mistake. Some writers think big words sound sophisticated. Others think blank space on a page implies insufficient thought. Still, others strive for thud factor, thinking that writing more makes their answer better instead of just longer. Write lean and mean.

The key to finding the money to reach your educational goals is to study. Seek and you shall find. If you are really motivated and willing to put some energy into research, you'll uncover many sources of aid. Everything you need to know to find the money you need for school is easily available online or in books that will cost you little or nothing to use. If some company tells you to pay them to research the same data bases you can explore on your own, hang onto your wallet or purse and run. Forget their glittering promises. These companies cannot give you any information you could not find on your own. All you need is determination, a good game plan, and the motivation to put that plan into action.

Searching for Scholarships

Just remember that it's a numbers game. The money is not going to fall out of the sky; you have to go after it. You want to make sure to apply for a huge number of scholarships instead of just a few; construct one essay and adapt it slightly for several scholarship essays.

Do NOT pay for an online scholarship service. Go to a good online scholarship search engine, such as FastWeb or Mach 25, which are 100 percent free. FastWeb is especially good, because it features articles that contain a good deal of excellent advice.

Don't forget to fill out the Free Application for Federal Student Aid (FAFSA) every year. The FAFSA is the gateway to the largest pool of educational benefits. To apply, go to <http://www.fafsa.ed.gov/>. They have recently simplified the process of filing this application.

A Winning Application Strategy

Start early! The best single piece of advice we can give you is to begin your search early. Many programs have deadlines nearly a year before the beginning of the school year. So, to give yourself the best shot at maximizing your results, start two years - or an absolute minimum of at least a year and a half - before the school year you want to enter. It's impossible to start too early and easy to start too late. Here is a good timetable for success:

Scholarship Timetable

- **18-24 months** before you need the money - Start searching for sources. Begin writing the first draft of your scholarship essay.
- **12-18 months** before you need the money – Write and submit your applications, finish your basic scholarship essay, adapt the essay to particular institutions, and follow up as needed.
- **6-9 months** before - Follow up with organizations that have not given you a decision (if deadline is past).
- **Summer** before school starts - Inform the financial aid office about any scholarships you have been granted. Ask what impact this will have on earlier scholarships.

- **30 days** before school starts - Write thank you notes.
- **Fall** - Start over again to find new and renew existing grants.

U.S. Government Education Benefits

Montgomery GI Bill – Active Duty

Happily, the process for applying for educational benefits from Uncle Sam requires considerably less dedicated effort than searching for a scholarship or grant. The basic educational benefit is provided by the Montgomery GI Bill. The Montgomery GI Bill - Active Duty, called the "MGIB" for short, provides up to 36 months of education benefits to eligible veterans for:

- College
- Technical or Vocational Courses
- Correspondence Courses
- Apprenticeship/Job Training
- Flight Training
- High-tech Training
- Licensing & Certification Tests
- Entrepreneurship Training
- Certain Entrance Examinations

You can now search for approved programs of education on the VA Web site. You can search for approved programs at colleges, non-college degree granting institutions, licensing & certification granting providers, and national testing providers. To begin your search, visit http://www.gibill.va.gov/GI_Bill_Info/Search_Programs.htm

Eligibility

You may be an eligible veteran if you have an Honorable Discharge, AND you have a High School Diploma or GED or in some cases 12 hours of college credit, AND you meet the requirements of one of the four categories described below.

CATEGORY I

- Entered active duty for the first time after June 30, 1985
- Had military pay reduced by \$100 a month for first 12 months
- Continuously served for 3 years, *OR* 2 years if that is what you first enlisted for, *OR* 2 years if you entered the Selected Reserve within a year of leaving active duty and served 4 years ("2 by 4" Program)

CATEGORY II

- Entered active duty before January 1, 1977
- Served at least 1 day between 10/19/84 and 6/30/85, and stayed on active duty through 6/30/88, (or 6/30/87 if you entered the Selected Reserve within 1 year of leaving active duty and served 4 years)
- On 12/31/89, you had entitlement left from Vietnam-Era GI Bill

CATEGORY III

- Not eligible for *MGIB* under Category I or II
- On active duty on 9/30/90 *AND* separated involuntarily after 2/2/91,
- *OR* involuntarily separated on or after 11/30/93,
- *OR* voluntarily separated under either the Voluntary Separation Incentive (VSI) or Special Separation Benefit (SSB) program
- Before separation, you had military pay reduced by \$1200

CATEGORY IV

- On active duty on 10/9/96 *AND* you had money remaining in a VEAP account on that date *AND* you elected *MGIB* by 10/9/97
- *OR* entered full-time National Guard duty under title 32, USC, between 7/1/85, and 11/28/89 *AND* you elected *MGIB* during the period 10/9/96, through 7/8/97
- Had military pay reduced by \$100 a month for 12 months or made a \$1200 lump-sum contribution

Benefits Paid

The monthly benefit paid to you is based on the type of training you take, length of your service, your category, and if DOD put extra money in your *MGIB* Fund (called "kickers"). You usually have 10 years to use your *MGIB* benefits, but the time limit can be less, in some cases, and longer under certain circumstances.

The table below shows the benefits payable effective October 1, 2009. These are the Educational Assistance Allowances for trainees under the Montgomery GI Bill - Active Duty (Ch. 30 of title 38 U.S.C.). The following basic monthly rates are effective October 1, 2010.

For trainees on active duty, payment is limited to reimbursement of tuition and fees for the training taken.

The following rates apply to those completing an enlistment of three years or more. **Effective October 1, 2010. VERIFIED on 1/13/2011.**

Institutional Training	
Training Time	Monthly rate
Full time	\$1,426.00
3/4 time	\$1069.50
1/2 time	\$713.00
less than 1/2 time more than 1/4 time	\$713.00**
1/4 time or less	\$356.50 **

The following rates apply to those completing an enlistment of less than three years. **UPDATED October 1, 2010**

Institutional Training	
Training Time	Monthly rate
Full time	\$1,158.00
3/4 time	\$868.50
1/2 time	\$579.00
less than 1/2 time more than 1/4 time	\$579.00 **
1/4 time or less	\$289.50 **

For more information on benefit rates, visit: http://www.gibill.va.gov/GI_BILL_INFO/RATES.HTM

How to Apply

You can apply by filling out VA Form 22-1990, Application for Education Benefits. You can download a copy of this form on the VA Web site.

More Information

Call toll free 1-888-GI-BILL-1

Montgomery GI Bill - Selected Reserve

Benefit Description

The Montgomery GI Bill - Selected Reserve program may be available to you if you are a member of the Selected Reserve. The Selected Reserve includes the Army Reserve, Navy Reserve, Air Force Reserve, Marine Corps Reserve, Coast Guard Reserve, the Army National Guard, and the Air National Guard.

You may use this education assistance program for degree programs, certificate or correspondence courses, cooperative training, independent study programs, apprenticeship/on-the-job training, and vocational flight training programs. Remedial, refresher and deficiency training are available under certain circumstances.

Eligibility for this program is determined by the Selected Reserve components. VA makes the payments for this program.

You may be entitled to receive up to 36 months of education benefits. If your eligibility to this program began on or after October 1, 1992, your period of eligibility ends 14 years from your beginning date of eligibility, or on the day you leave the Selected Reserve.

If your eligibility to this program began prior to October 1, 1992, your period of eligibility ends 10 years from your beginning date of eligibility, or on the day you leave the Selected Reserve.

One exception to this rule exists if you are mobilized or recalled to active duty from your reserve status; in this case, your eligibility may be extended for the amount of time you are mobilized PLUS four months. For example, if you are mobilized for 12 months, your eligibility period is extended for 16 months (12 months active duty PLUS 4 months). So even if you leave the reserves after mobilization, you may have additional eligibility to the MGIB-SR.

Eligibility

To qualify, you must meet the following requirements:

- Have a six-year obligation to serve in the Selected Reserve signed after June 30, 1985. If you are an officer, you must have agreed to serve six years in addition to your original obligation. For some types of training, it is necessary to have a six-year commitment that begins after September 30, 1990;
- Complete your initial active duty for training (IADT);
- Meet the requirement to receive a high school diploma or equivalency certificate before completing IADT. You may not use 12 hours toward a college degree to meet this requirement;
- Remain in good standing while serving in an active Selected Reserve unit.

If your Reserve or National Guard unit was deactivated during the period October 1, 1991, through September 30, 1995, or you were involuntarily separated (e.g., reduction in force) from Reserve or National Guard service during that same period, you will retain eligibility for MGIB - SR benefits for the full 14 year eligibility period. You will also retain MGIB - SR eligibility if you were discharged from Selected Reserve service due to a disability that was not caused by misconduct. Your eligibility period may be extended if you are ordered to active duty.

How to Apply

Your unit will give you DD Form 2384-1, Notice of Basic Eligibility, when you become eligible for the program. Your unit will also code your eligibility into the Department of Defense personnel system so that VA may verify your eligibility.

You should then make sure that your selected program is approved for VA training. If you are not clear on this point, VA will inform you and the school or company about the requirements.

Obtain and complete VA Form 22-1990, Application for Education Benefits. Send it to the VA regional office with jurisdiction over the State where you will train.

If you have started training, take your application and your Notice of Basic Eligibility to your school or employer. Ask them to complete VA Form 22-1999, Enrollment Certification, and send all the forms to VA.

You can also apply online. For an electronic application form that may be completed and submitted online, visit: <http://vabenefits.vba.va.gov/vonapp/main.asp>.

Reserve Educational Assistance Program (REAP)

REAP was established as a part of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005. It is a Department of Defense education benefit program designed to provide educational assistance to members of the Reserve components called or ordered to active duty in response to a war or national emergency (contingency operation) as declared by the President or Congress. The Department of Defense and the Department of Homeland Security will determine who is eligible for this program. The Department of Veterans Affairs will administer the program and pay benefits from funds contributed by DOD.

Qualifications for REAP

The Secretaries of each military service, Department of Defense, and Department of Homeland Security (Coast Guard) will determine eligibility and establish the program to provide educational assistance to members of the Reserves of the armed forces who are called to duty for 90 days or more. Members may be eligible after serving 90 consecutive days on active duty after September 11, 2001.

REAP monthly payments

The benefit payable under REAP is a percentage of the Chapter 30 three-year or more enlistment rate (\$1,101.00 as of 10/1/07).

- If you serve 90 days but less than 1 year, you will receive 40% of the three-year rate.
- A service period of 1 year but less than 2 years of active duty will pay 60% of the three-year rate.
- A service period of more than 2 years on active duty will result in an 80% payment of the three-year rate.

IMPORTANT: Members on active duty are only entitled to be reimbursed for the actual cost of the tuition and fees of the courses taken (not to exceed the statutory rate).

Note: This benefit is retroactive to September 11, 2001. A reservist attending school will be paid a percentage of the MGIB three-year rate in effect during the time in which he/she was enrolled. For example: The three-year full time MGIB rate in June of 2002 was \$800. Someone being paid the 40% rate for school enrollment in June 2002 would receive \$320 for full time monthly benefits.

Amount of entitlement under REAP

You will receive 36 months of full time entitlement at your given rate. A REAP participant may not use more than 48 months of entitlement under any combination of VA Educational programs.

For example, if you've already used 20 months of Chapter 1606, you will only receive 28 months of REAP.

Length of benefits under REAP

You may use your benefits under REAP as long as you remain within your component. Benefits must be terminated if you leave the Reserves or participate in a ROTC program under Title 10 Section 2107.

Members released for disability

Members released early for disability incurred or aggravated in the line of duty are eligible to receive REAP benefits at the rate they were qualified for when they were released. For example, if a claimant served on active duty for one year and 6 months prior to being released, he or she would be entitled to receive benefits at the 60% rate for as long as they're entitled to REAP benefits. Members released prior to completing 90 days of active duty service would be entitled to benefits at the 40% rate. If you are released for disability, you are entitled to REAP benefits for 10 years from your date of eligibility

REAP benefits concurrently with another MGIB benefit

You cannot receive assistance under more than one VA Education program at one time. If you are eligible for MGIB-Active Duty (chapter 30) because you served on duty for a minimum of 24 consecutive months, you must make an irrevocable election as to which program you will apply your time on active duty. If you are eligible for a Chapter 1606 kicker, you can still be paid that kicker while receiving REAP

Education programs are approved under REAP

All education programs, with the exception of National Examination / Testing Reimbursement are payable under REAP.

When to apply for REAP

VA Regional Processing Offices in Atlanta, St. Louis, Buffalo, and Muskogee are accepting applications and supporting documents for REAP claims.

If you have never applied for benefits before, complete VA Form 1990 and write "REAP" in section one. If you are already eligible for VA Education benefits under another program, submit VA Form 1995 and notate that you now wish to use REAP. Submit copies of all DD 214s and copies of all orders for the period(s) you will use to claim eligibility.

Benefits and election date chosen

Veterans eligible for REAP will most likely also be eligible for Chapter 1606. The REAP program pays a bit more than Chapter 1606. You must weigh the benefits of retroactively electing REAP with the benefits of using it for future training.

Example A - Bob is eligible for Chapter 1606 and REAP. He used 4 months of entitlement under Chapter 1606 in the Spring of 2002. Bob could request retroactive payment under REAP for that period based on his active duty period in 2001. The full time rate under REAP for that period would be \$320.00/ month. For Chapter 1606, the full time rate was \$272.00. Bob already received \$1088.00 in Chapter 1606 benefits. Under REAP he would receive \$1280.00. If

Bob retroactively chooses REAP, he will receive an additional \$192.00 for the difference between the two programs. Is it more advantageous for Bob to take the extra \$192.00 for REAP, or to elect REAP from the current date forward? If Bob takes the retroactive benefit amount, he now has 32 months of REAP to use for any future school enrollment. If Bob doesn't request retroactive benefits, he now has 36 months of benefits at 40% of the current MGIB three-year rate (\$401.60 for fiscal year 2005). Bob must determine what he has used in the past, how much schooling he needs to complete in the future, and determine which option will be most advantageous to him in the long run. In Bob's situation, it might be more advantageous for him not to retroactively elect REAP benefits.

Example B - Susie is eligible for Chapter 1606 and would be eligible for REAP based on active duty served in 2001-2002. She has been in school full time continuously since she returned from active duty. To date, she has used 31 months of Chapter 1606 benefits. For someone in Susie's situation, she might benefit more from retroactively selecting REAP benefits. She would receive the difference between the two programs, and would still have 17 months of full time REAP benefits remaining.

Veterans Educational Assistance Program (VEAP)

Benefit Description

VEAP is available if you elected to make contributions from your military pay to participate in this education benefit program. Your contributions are matched on a \$2 for \$1 basis by the Government. You may use these benefits for degree, certificate, correspondence, apprenticeship/on-the-job training programs, and vocational flight training programs. In certain circumstances, remedial, deficiency, and refresher training may also be available.

Benefit entitlement is 1 to 36 months depending on the number of monthly contributions. You have 10 years from your release from active duty to use VEAP benefits. If there is entitlement not used after the 10-year period, your portion remaining in the fund will be automatically refunded.

Eligibility

To qualify, you must meet the following requirements:

- Entered service for the first time between January 1, 1977, and June 30, 1985;
- Opened a contribution account before April 1, 1987;
- Voluntarily contributed from \$25 to \$2700;
- Completed your first period of service; and
- Were discharged or released from service under conditions other than dishonorable.

If you are currently on active duty and wish to receive VEAP benefits, you must have at least 3 months of contributions available.

Contributions may be withdrawn if you do not meet the basic eligibility requirements or if you formally request a refund of the contributions withheld.

How to Apply

You should make sure that your selected program is approved for VA training. If you are not clear on this point, VA will inform you and the school or company about the requirements. You can now search for approved programs of education on the VA Web site. You can search for approved programs at colleges, non-college degree granting institutions, licensing & certification granting providers, and national testing providers. To begin your search, visit http://www.gibill.va.gov/GI_Bill_Info/Search_Programs.htm.

Obtain and complete VA Form 22-1990, Application for Education Benefits. Send it to the VA regional office with jurisdiction over the State where you will train. If you are not on active duty, send copy 4 (Member Copy) of your DD Form 214, Certificate of Release or Discharge From Active Duty. If you are on active duty, you must have your enrollment approved by your base Education Services Officer, and you must have your service verified by your Commanding Officer.

If you have started training, take your application and Member Copy of DD Form 214 to your school or employer. Ask them to complete VA Form 22-1999, Enrollment Certification, and send all the forms to VA. If you wish to withdraw your contributions from VEAP, obtain and complete VA Form 24-5281, Application for Refund of Educational Contributions, and send it to your nearest VA regional office.

Additional information is available by contacting your local VA Regional Office toll-free, 1-888-442-4551.

Educational Assistance Test Program (Section 901 of Public Law 96-342)

Section 901 is an Educational Assistance Test Program created by the Department of Defense Authorization Act of 1981 (Public Law 96-342) to encourage enlistment and reenlistment in the Armed Forces. Benefits are available to individuals who entered on active duty after September 30, 1980, and before October 1, 1981 (or before October 1, 1982, if entry was under a delayed enlistment contract signed between September 30, 1980, and October 1, 1981).

Air Force Eligibility Requirements for Section 901

All three of the following criteria must have been met to establish eligibility for this benefit.

- Must have enlisted between December 1, 1980 and September 30, 1981.
- Enlistment must have been in one of the following Air Force Specialties: 20723, 20731, 20830, 46130, 46230A, B, C, D, E, F, G, H, J, or Z, 46430, 81130
- Enlistment must have taken place at one of the following locations: Beckley, WV; Buffalo, NY; Dallas, TX; Fargo, ND; Houston, TX; Jackson, MS; Louisville, KY; Memphis, TN; Omaha, NE; Philadelphia, PA; Seattle, WA; Sioux Falls, SD; Syracuse, NY

Survivors' and Dependents' Educational Assistance Program (DEA)

Benefit Description

DEA provides education and training opportunities to eligible dependents of veterans who are permanently and totally disabled due to a service-related condition, or who died while on active duty or as a result of a service related condition. The program offers up to 45 months of education benefits. These benefits may be used for degree and certificate programs, apprenticeship, and on-the-job training. If you are a spouse, you may take a correspondence course. Remedial, deficiency, and refresher courses may be approved under certain circumstances.

Special Restorative Training is available to persons eligible for DEA benefits. The Department of Veterans Affairs may prescribe special restorative training where needed to overcome or lessen the effects of a physical or mental disability for the purpose of enabling an eligible person to pursue a program of education, special vocational program or other appropriate goal. Medical care and treatment or psychiatric treatment is not included. Contact your local VA office for more information.

Special Vocational Training is also available to persons eligible for DEA benefits. This type of program may be approved for an eligible person who is not in need of Special Restorative Training, but who requires such a program because of a mental or physical handicap. Contact your local VA office for more information.

Eligibility

You must be the son, daughter, or spouse of:

- A veteran who died or is permanently and totally disabled as the result of a service-connected disability. The disability must arise out of active service in the Armed Forces.
- A veteran who died from any cause while such service-connected disability was in existence.
- A service member missing in action or captured in line of duty by a hostile force.
- A service member forcibly detained or interned in line of duty by a foreign government or power.

Period of Eligibility

If you are a son or daughter and wish to receive benefits for attending school or job training, you must be between the ages of 18 and 26. In certain instances, it is possible to begin before age 18 and to continue after age 26. Marriage is not a bar to this benefit. If you are in the Armed Forces, you may not receive this benefit while on active duty. To pursue training after military service, your discharge must not be under dishonorable conditions. VA can extend your period of eligibility by the number of months and days equal to the time spent on active duty. This extension cannot generally go beyond your 31st birthday; however, there are some exceptions.

If you are a spouse, benefits end 10 years from the date VA finds you eligible or from the date of death of the veteran. For surviving spouses (spouses of service members who died on active duty) benefits end 20 years from the date of death.

How to Apply

You should make sure that your selected program is approved for VA training. If you are not clear on this point, VA will inform you and the school or company about the requirements or you can check online to see if a program is approved.

Obtain and complete VA Form 22-5490, Application for Survivors' and Dependents' Educational Assistance. Send it to the VA regional office with jurisdiction over the State where you will train. If you are a son or daughter, under legal age, a parent or guardian must sign the application.

If you have started training, take your application to your school or employer. Ask them to complete VA Form 22-1999, Enrollment Certification, and send both forms to VA.

National Call to Service Program

Beginning on October 1, 2003, this program offers cash incentives for enlistment.

The NCS program has a three part service requirement:

1. First, after completion of initial entry training, individuals must serve on active duty in a military occupational specialty designated by the Secretary of Defense for a period of 15 months.
2. After this, and without a break in service, these individuals must serve either an additional period of active duty as determined by the Secretary of Defense, or a period of 24 months in an active status in the Selected Reserve.
3. After completion of this period of service, and also, without a break in service, the remaining period of obligated service specified in the agreement will be served as follows:
 - on active duty in the armed forces
 - in the Selected Reserve

- in the Individual Ready Reserve
- in Americorps, or another domestic national service program jointly designated by the Secretary of Defense and the head of such a program

Any combination of the service referred to above may also be approved by the Secretary of the military department concerned pursuant to regulations prescribed by the Secretary of Defense and specified in the agreement.

Choice of Incentives

Individuals who participate in this new program have a choice of incentives as follows:

- Cash bonus of \$5,000
- Repayment of a qualifying student loan not to exceed \$18,000
- Entitlement to allowance equal to the 3-year monthly chapter 30 rate for 12 months (\$1,034 effective Oct 1, 2005)
- Entitlement to allowance equal to fifty percent of the less than 3-year monthly chapter 30 rate for 36 months (Fifty percent of \$840 effective Oct. 1, 2005)

Coordination with Montgomery GI Bill Benefits

The basic rule is that National Call to Service (NCS) participants are not entitled to additional assistance under chapter 1606 or chapter 30 benefits. However, if the NCS participant has eligibility under either of these chapters, he or she may be paid the amount of chapter 1606 or chapter 30 benefits minus any amounts paid under the NCS program. The education benefit options will be administered to the extent possible like chapter 1606 of title 10.

How to Apply for GI Bill Benefits

Online

Visit <http://vabenefits.vba.va.gov/vonapp/main.asp> for an electronic application form that may be completed and submitted online. Current regulations require that you send the VA a signature in the mail after submission in order for them to process your application.

Apply for GI Bill Benefits Using a Hardcopy Form

Visit http://www.gibill.va.gov/GI_Bill_Info/education_forms.htm for a hardcopy application you can print, complete, and mail to the VA. If you don't have the capability to print out the form or apply online, you can call 1-888-GIBILL-1 (1-888-442-4551) to have a form mailed to you.

You may also receive an application form at the school or training establishment you wish to attend. The VA Certifying official at the school (usually located in the Registrar's or Financial Aid office) should have the forms available, can assist you in filling them out, and will submit them to VA.

Transition Assistance

The Department of Veterans Affairs (VA) has an active role in Transition Assistance Program (TAP) and Disabled Transition Assistance Program (DTAP) throughout the United States and around the world. Since the implementation of TAP/DTAP through the original legislation VA has provided benefit information to separating service members and their families.

VA encourages all separating service members to contact their respective Family Service Centers/Transition Center to determine when the Transition Assistance Briefings are scheduled for a particular site and attend. These briefings provide information which will help you make the transition to civilian life easier by ensuring you are aware of the many VA benefits available to you.

Military Services Coordinators (MSCs) conduct TAP/DTAP briefings at transition sites located at military installations across the country as well as at locations in Europe and the Far East. These briefings provide information on the full range of VA benefits to include but not limited to disability compensation, education, home loan program, insurance, vocational rehabilitation, and burial benefits.

Disabled transition (DTAP) is an integral part of the transition program and concentrates on those service members being separated due to a disability incurred while on active duty.

Almost without exception, an MSC is assigned to each VA Regional Office across the country and he or she visits the transition sites within the respective state to provide the TAP/DTAP briefings. VA also has an Overseas Military Services Program in which VA representatives are assigned to host transition sites in both the European and Pacific Theaters. These representatives provide benefit briefings at transition sites throughout the country to which they are assigned.

This program is jointly funded with the Department of Defense.

VA currently has counselors assigned in Germany, England, Italy, Japan, and on Okinawa. Itinerant service is also provided in Spain, Turkey, Iceland, Panama, and Guantanamo Bay, Cuba. See also <http://www.gibill.va.gov/links.htm> and http://www.gibill.va.gov/Vet_Info/tar.htm.

Foreign Training for Veterans, Servicepersons, Reservists, and Eligible Dependents

Eligibility

1. To be eligible for training in a foreign school, you must meet the same basic eligibility requirements as for training in the United States. In addition, the training at the foreign school must be at an institution of higher learning leading to a standard college degree, or the equivalent, and the program of education at the foreign institution must have been approved by VA.

You should submit the appropriate application form listed below to VA. All of these forms can be downloaded from the Web site http://www.gibill.va.gov/GI_Bill_Info/education_forms.htm.

If you know the foreign educational institution and program of education you intend to pursue, please indicate this on your application.

a.) Veterans/Servicepersons/Reservists

Submit VA Form 22-1990, Application for Education Benefits, if you are a veteran, serviceperson, or reservist and are applying for the first time.

Submit VA Form 22-1995, Request for Change of Program or Place of Training, if you are a veteran, serviceperson, or reservist and you are requesting a change of program or place of training.

b.) Dependents

Submit VA Form 22-5490, Application for Survivors' and Dependents' Educational Assistance, if you are a spouse or a child and are applying for the first time.

Submit VA Form 22-5495, Request for Change of Program or Place of Training - Survivors' and Dependents Educational Assistance, if you are a spouse or a child and you are requesting a change of program or place of training.

c.) Disabled Veterans

Submit VA Form 28-1900, Disabled Veterans Applications Application for Vocational Rehabilitation, if you have a service-connected disability which VA has rated at least 20 percent disabling, or 10 percent disabling if you have a serious employment handicap.

2. If you are determined to be eligible for VA benefits, you will be issued a Certificate of Eligibility showing the number of months of entitlement you have, as well as the date your eligibility expires. If possible, you should have this document in your possession before enrolling at a foreign school.
3. You should submit your application early enough to have the program of education approved before leaving the United States. (See General Instruction below.)
4. You may receive VA benefits under the following programs of educational assistance:
 - a.) Montgomery GI Bill – Active Duty (Chapter 30)
 - b.) Montgomery GI Bill – Selected Reserve (Chapter 1606)
 - c.) Post-Vietnam Veterans' Educational Assistance Program – VEAP (Chapter 32)
 - d.) Survivors' and Dependents' Educational Assistance Program (Chapter 35)
 - e.) Educational Assistance Pilot Program (Section 901)
 - f.) Omnibus Diplomatic Security & Antiterrorism Act

General Instructions

1. Before enrolling at a foreign school:
 - a.) Determine if your program of education is approved for VA benefits. The educational institution you plan to attend should be able to advise you if the program you are interested in pursuing at their school has already been approved for VA benefits. If you are unable to obtain this information from your school, contact the VA at https://www.gibill2.va.gov/vba/vba.cfg/php.exe/enduser/std_alp.php, provide the name of the foreign school, the complete address, and the name of the program you intend to pursue. The VA will advise you whether the program has already been approved for VA benefits.

IMPORTANT: If the program of education you intend to pursue has not yet been approved for VA benefits, you should contact an official from the foreign school and request they apply for approval. Only an official of the foreign school may apply for approval of a program; you cannot submit the request on the school's behalf.
 - b.) Make arrangements with the school for acceptance, enrollment, payment of tuition and fees, and for any other requirements such as living accommodations.
 - c.) Make arrangements for travel including your passport, visa, and vaccinations, as required. You should also check with your intended school to ascertain the school's or host country's requirements for health insurance. This is very important since, in some instances, you may not be able to start classes until health insurance arrangements have been made.

d.) Maintain a sufficient financial reserve to care for all of your needs until VA educational assistance allowance payments begin. Please bear in mind that any payment of VA benefits will be made directly to you, not the school. VA benefit rates are set by Congress based on your training time and attendance; they will not necessarily cover the total cost of your school's tuition and fees. You are solely responsible for payment of all charges assessed by your school.

If your program of education has already been approved, you will normally receive your first check only after you have completed your first month of school. Chapter 30 or Chapter 1606 students have the option to have benefit payments deposited into a United States checking or savings account.

IMPORTANT: If you are receiving benefits under a program other than Chapter 30 or Chapter 1606, or if you do not arrange for payments to be deposited into a U. S. account, payments will be mailed to the American Embassy in the country of your residence and will be forwarded to you by the Embassy. This may delay receipt of your checks by up to 30 days. Please plan accordingly.

IMPORTANT: If your program of education has not already been approved, you may experience further delays while VA evaluates whether your program can be approved for VA benefits. If approval of your program of education is denied by VA, you will still be responsible to your school for all charges, including tuition and fees.

e.) Some countries have their own version of the Privacy Act. Students attending school in these countries should furnish written permission to school officials allowing them to release information as necessary to VA. Failure to do so may affect receipt of VA benefits.

2. After enrolling at a foreign school:

a.) Submit your application to VA at least 90 days in advance of your departure to ensure ample time for processing. Prompt processing of your application for foreign training will be greatly facilitated if you send your application to the appropriate VA office.

b.) All students (with the exception of those applying for Vocational Rehabilitation benefits under Chapter 31) should mail the completed application, or signature form if applying online, to the following address:

Foreign School Approval Group (22-ESU)
VA Regional Office
130 S. Elmwood Avenue Suite 601
Buffalo, NY 14202

c.) Chapter 31 students should submit their application to their nearest Regional Office. Once accepted into the program, Chapter 31 students will work with their VA counselor to arrive at a suitable foreign training program.

d.) If the school is located in the Philippines, send the completed application to:

Director
U. S. Department of Veterans Affairs
Manila Regional Office
1131 Roxas Boulevard
1000 Ermita
Manila, The Philippines

e.) When you receive the Certificate of Eligibility, take it with you and submit it to the school's certifying official as verification that you are eligible to receive VA benefits. Your school's certifying official will then submit your

enrollment information on VA Form 22-1999. Please note you will not receive payments until your enrollment information has been received and processed by VA.

Where Your Claim Will be Processed

If you are training in Puerto Rico or the U. S. Virgin Islands, your claim will be handled by the Atlanta Regional Processing Office (in Decatur, Georgia).

If you are training in the Republic of the Philippines, American Samoa, Guam, Midway, Wake Island, any of the islands in the Federated States of the Marshall Islands, the Republic of Micronesia, or the Republic of Palau, your claim will be handled by the Muskogee Regional Processing Office.

If you are training in any other foreign country or area, your claim will be handled by the Buffalo Regional Processing Office.

Reentrance

Normally, foreign schools certify their students for the complete academic year. If you plan to attend a foreign school for more than one year, within 120 days of your reenrollment you should notify the school of your intention to reenroll and have the appropriate certifying official submit an enrollment certification for your reenrollment. If your school does not have a supply of the enrollment certifications, the school should request a supply of forms from the Buffalo Regional Office, and they will be mailed directly to the school. You should keep the school advised of your plans for continuing enrollment in order to avoid any delay in receiving your benefits.

Approval Information

Information concerning the approval status of a program at a foreign school may be obtained by contacting VA at https://www.gibill2.va.gov/vba/vba.cfg/php.exe/enduser/std_alp.php.

Written requests for information should be submitted to:

Foreign School Approval Group (22-ESU)
VA Regional Office
130 S. Elmwood Avenue Suite 601
Buffalo, NY 14202

When submitting an inquiry or application, you should clearly indicate your school and your planned program of education as precisely as possible. VA will then advise you of the program's approval status and thus enable you to contact your school without undue delay to initiate any approval procedures that may be necessary.

Restrictions on Foreign Training

The law provides that VA beneficiaries may not pursue programs of education at schools outside of the United States unless they are pursuing approved programs leading to a standard college degree, or the equivalent, at approved institutions of higher learning. The only exception is for persons eligible for Survivors' and Dependents' Educational Assistance (Chapter 35) who may receive VA benefits while pursuing approved postsecondary non-college degree programs at training establishments in the Philippines.

The term "institution of higher learning" means a college or university offering programs of instruction leading to an associate degree or higher, or its equivalent. The programs must be recognized as being comparable to a degree granted by accredited U. S. colleges and universities. VA will accept degrees granted by public colleges and universities in foreign countries as being comparable to degrees granted by accredited U. S. colleges and universities. Degrees, or their equivalent, granted by private colleges and universities in foreign countries must be comparable to

degrees granted by public colleges and universities in the same country. Degree or equivalent programs must have the same entrance requirements as the degree programs offered by public colleges and universities in the same country.

Approval Procedures

Programs offered by schools in the Philippines are subject to approval by the Director of the Manila Regional Office. Programs offered by all other foreign schools are subject to approval by the Director of the Buffalo Regional Office. If a veteran, serviceperson, reservist, or eligible dependent wishes to enroll in a program of education that has not already been approved, he or she should ask the school to request approval of the program he or she intends to pursue. VA can take no action until a request for approval is received from a school official.

IMPORTANT: Some schools located in the United States offer courses in a foreign country under contract with the Department of Defense. These courses are not considered foreign training. Similarly, “Junior Year Abroad” programs and similar programs offered by schools in the United States are not considered foreign training.

Instructions on how school officials may apply for approval of programs of education can be found at http://www.gibill.va.gov/School_Info/os_trngs.htm.

Where to Go for Help

For applications and further information, the following offices or representatives will be glad to assist you:

- Any VA Regional Office;
- Local representatives of veterans’ organizations and the American Red Cross;
- Foreign Service Posts;
- Canadian Department of Veterans Affairs (Canadian schools only).

Within all 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands, call VA’s customer service toll-free for information about education benefits: 1-888-GI BILL-1 (1-888-442-4551). For toll-free TDD service, call 1-800-829-4833. For information about all other VA benefits, call toll-free 1-800-827-1000.

You may send an email inquiry 24 hours a day, 7 days a week by visiting https://www.gibill2.va.gov/vba/vba.cfg/php.exe/enduser/std_alp.php. You will generally receive a response within 3 to 5 business days.

During business hours, Monday through Friday 8:00 am to 4:00 pm EST, Students and School Certifying Officials calling from outside the United States may call the Buffalo Regional Office at 716-857-3196 or 716-857-3197. Once connected, the caller can immediately enter "option 1" to be placed in a special priority queue. This is not a toll-free number but the caller will be routed to the next available Customer Service Representative for priority service.

Education Programs

The various GI Bills are available for many different types of Education Programs. Here is a listing of the programs available:

IHL (Institutes of Higher Learning) - The GI Bill is available for attendance at IHLs such as:

- Four Year Universities
- Community Colleges
- Advanced Degrees

Payment is based on the number of classes you attend:

- 12 hours or more - fulltime
- 9 - 11 hours - $\frac{3}{4}$ time
- 6 - 8 hours - $\frac{1}{2}$ time
- less than 6 hours - reimbursed at a rate not to exceed the tuition & fees charged for the course(s)

For graduate level training, the training time is determined by the college - for example, if a 2 hour class is considered full time in a graduate program at your school, the VA will pay you the full time rate. For current payment rates see http://www.gibill.va.gov/GI_Bill_Info/rates.htm.

The GI Bill will allow you to attend more than one college at a time, as long as the classes at both institutions count towards your degree, and the school granting your degree accepts the classes at the second school as part of your requirements. However, the GI Bill will not pay you to take the same classes twice unless you receive a failing grade in a class that is a graduation requirement.

The GI Bill can pay you for more than one degree, for example: it will pay you for a degree in Business and then for a second degree in Computer Science, or for an AA, BA, MA in the same field. Once you have a degree, you could pursue another one provided you have remaining entitlement on your GI Bill.

Payments are issued monthly in arrears (for example - you receive the November payment in December.)

NCD (Non-College-Degree) Training - The GI Bill is available for training at Non-College-Degree Institutions, examples of this type of training are diploma vocational schools such as:

- HVAC Certification
- Truck Driving
- EMT Certification
- Barber/Beautician School

The monthly rate is based on the number of clock hours you attend training for each month.

Payments are issued monthly in arrears (for example - you receive the November payment in December).

On-the-Job or Apprenticeship Training - The GI Bill is available for On-the-Job or Apprenticeship Training. Examples of this type of training are:

- Union Plumber
- Hotel Management
- Firefighter

VA will reimburse you at the following rate:

- 85% of the full-time GI Bill rate for the 1st six months
- 65% of the full-time GI Bill rate for the 2nd six months
- 45% of the full-time GI Bill rate for the remainder of the training program

You may also receive a salary from your employer during the training.

Payments are issued monthly in arrears (for example - you receive the November payment in December.)

Flight Training - The GI Bill (except DEA) is available for Flight Training such as:

- Rotary wing qualification
- B747-400 Qualification
- Dual Qualification

In order to qualify, you must have a private pilot's license and valid medical certification before beginning training. VA will reimburse you for 60% of the approved charges.

Payments are issued after the training is completed and the school submits information to the VA.

Independent, Distance Learning, or Internet Training - The GI Bill is available for Independent, Distance or Internet training. This type of training is usually offered by IHLs and similar rules & rates apply.

Correspondence Training - The GI Bill (except for children training under DEA) is available for Correspondence Training. This type of training differs from Distance Learning by the means of delivery. Usually in Correspondence Training, you receive lessons in the mail and have a certain amount of time to complete and return them for a grade. VA will reimburse you 55% of the approved costs for this type of training.

Payments are made quarterly after the lessons are completed.

National Testing Program - Section 106 of PL 108-454 allows VA to reimburse claimants for the fee charged for:

1. national tests for admission to institutions of higher learning and
2. national tests providing an opportunity for course credit at institutions of higher learning.

Examples of tests covered are SAT, GRE, CLEP, GMAT, LSAT, etc. Currently this program is only available for MGIB-AD, VEAP & DEA.

Licensing and Certification - You can receive reimbursement for licensing and certification tests you take on or after March 1, 2001. (MGIB-AD, VEAP & DEA beneficiaries only.) Effective January 6, 2006 MGIB-SR & REAP participants became eligible for this program. These tests must be specifically approved for the G.I. Bill. VA can pay only for the cost of the tests, up to \$2,000.00, and not other fees connected with obtaining a license or certification. VA will pay for tests even if failed. Organizations providing tests can obtain a supply of a VA Pamphlet explaining this benefit by going to http://www.gibill.va.gov/pamphlets/LC_brochure.pdf.

Payment is issued after you submit proof of payment, etc. to the VA.

Entrepreneurship Training - Available to all GI Bill programs with the exception of DEA.

As a service member or veteran you now have an opportunity to use your education benefits to learn how to start or enhance a small business. Entrepreneurship training allows eligible service members and veterans to use VA education benefits to take courses offered by the Small Business Development Centers (SBDCs) or The National Veterans Business Development Corporation, better known as “The Veterans Corporation.” Individual courses must be specifically approved for VA purposes to use your benefits.

Eligibility

You may receive reimbursement for approved entrepreneurship courses if you’re eligible for any of these VA Education Programs:

- Montgomery GI Bill – Active Duty
- Montgomery GI Bill - Selected Reserve
- Veterans’ Educational Assistance Program
- Section 903 of Public Law 96-342

To find out if you might be eligible under any of these programs, check out the Web site http://www.gibill.va.gov/GI_Bill_Info/benefits.htm.

Owning or operating your own business will not disqualify you from using your benefits for these courses. In fact, you can use your benefits more than once to take approved entrepreneurship courses.

Finding a Course

Both of the qualified organizations offer courses around the country. To locate course offerings near you, view training opportunities on the Web or contact the organizations directly.

Small Business Development Centers

On the web at www.sba.gov/sbdc or by phone at 1-800-8-ASK-SBA.

The Veterans Corporation

On the web at www.veteranscorp.org or by email at vetregistrar@veteranscorp.org. You should contact VA at 1-888-442-4551 or the local training sites where you plan to attend to see what courses are approved for VA purposes.

How to Apply

You can get and submit an application for benefits (VA Form 22-1990) on-line, or submit a printed copy. Just go http://www.gibill.va.gov/GI_Bill_Info/How_to_Apply.htm to download a copy of the application. If applying on-line, a copy of the signature page with an original signature must be received to process your claim for benefits. Applications may also be requested by calling the VA at 1-888-GIBILL-1 (1-888-442-4551).

Printed applications should be submitted to the VA regional processing office that has jurisdiction over the state where you will train. Mailing addresses are provided on the application or on the GI Bill Web site under *Contact Information*.

Contact Information

You may call 1-888-GIBILL-1 or, for the hearing impaired, at 1-800-829-4833.

Veterans in Business

Additional assistance for veteran entrepreneurs is available through the Department of Veterans Affairs' Center for Veterans Enterprise (CVE). CVE helps veterans:

- Open a Business
- Expand a Business
- Understand Federal Buying Rules
- Find Business Opportunities

To find out more about the services offered by CVE, visit them on the web at www.vetbiz.gov or call 1-866-584-2344.

Work-Study Program - If you're a full-time or 3/4-time student in a college degree program, or a vocational or professional program, you can "earn while you learn" with a VA work-study allowance.

Note: Don't rely on this document to determine if you're eligible for work-study or education benefits. To receive a formal decision from VA, you must file a claim for benefits.

Who is Eligible?

The VA work-study allowance is available to persons training under the following programs:

- Montgomery GI Bill--Active Duty (38 U.S.C. Chapter 30)
- Vocational Training and Rehabilitation for Veterans With Service Connected Disabilities (38 U.S.C. Chapter 31)
- Post-Vietnam Era Veterans' Educational Assistance Program (38 U.S.C. Chapter 32)
- Dependents' Educational Assistance Program (38 U.S.C. Chapter 35)
- Montgomery GI Bill--Selected Reserve (10 U.S.C. Chapter 1606)
- Eligible dependents under 38 U.S.C. Chapter 35 may use work study only while training in a State.

VA will select students for the work-study program based on different factors. Such factors include:

- Disability of the student
- Ability of the student to complete the work-study contract before the end of his or her eligibility to education benefits
- Job availability within normal commuting distance to the student
- VA will give the highest priority to a veteran who has a service-connected disability or disabilities rated by VA at 30% or more.

The number of applicants selected will depend on the availability of VA-related work at your school or at VA facilities in your area.

How Much Can Be Earned?

You'll earn an hourly wage equal to the Federal minimum wage or your State minimum wage, whichever is greater. If you're in a work-study job at a college or university, your school may pay you the difference between the amount VA pays and the amount the school normally pays other work-study students doing the same job as you.

You may elect to be paid in advance for 40 percent of the number of hours in your work-study agreement, or for 50 hours, whichever is less. After you've completed the hours covered by your first payment, VA will pay you each time you complete 50 hours of service.

You may work during or between periods of enrollment. You can arrange with VA to work any number of hours you want during your enrollment. But, the total number of hours you work can't be more than 25 times the number of weeks in your enrollment period.

What Type of Work Can Be Done?

Services you perform under a VA work-study program must be related to VA work. Examples of acceptable work are:

- Processing VA paperwork at schools or VA offices
- Performing outreach services under the supervision of a VA employee
- Performing services at VA medical facilities or the offices of the National Cemetery Administration

The work you actually do will depend on your interests and the type of work available.

How to Apply?

For forms and information, one or more of the following offices or representatives can assist you:

- Any VA regional office.
- Any VA office or Vet Center.
- Local representatives of veterans organizations.
- Reserve Education and Incentives Officers.

Consult a telephone directory under United States Government, Department of Veterans Affairs, for the telephone number of the office nearest you. Toll-free telephone service is available in all 50 states, Puerto Rico, and the U. S. Virgin Islands. Call 1-888-GI-BILL-1 (1-888-442-4551) or for the hearing impaired call 1-800-829-4833.

VA supervisory personnel occasionally monitor telephone calls. They do this to ensure that the public receives accurate information and courteous responses. The person monitoring a call does not keep a record of the caller's name, address, file number, or telephone number.

To obtain information on other sources of assistance, contact the financial aid office at your school.

Co-op Training - Co-op training allows you to attend school and gain valuable work experience at the same time! Some schools partner with employers allowing you to attend classes in your desired field, i.e. Computer Programming, and work for an employer in that field as well.

There are several different scenarios:

- you can attend classes in the morning and work in the afternoon
- you can attend classes at night and work during the day
- you can attend full time during one semester and work full-time during another semester, etc.

You will receive GI Bill benefits at the full-time rate during the entire period.

Please contact your school or employer for more information.

Accelerated Payment for MGIB-AD - An accelerated payment is a lump sum payment of 60% of tuition and fees for certain high cost, high tech programs. If you do not have sufficient entitlement to cover 60% of tuition and fees, we will pay you based on your actual remaining entitlement.

VA will make accelerated payments for one term, quarter, or semester at a time. However, if the program is not offered on a term, quarter or semester basis, the accelerated payment is paid for the entire program. To qualify, you must be enrolled in a high tech program and you must certify that you intend to seek employment in a high tech industry as defined by VA. Accelerated payment is paid instead of Montgomery GI Bill benefits that you would otherwise receive.

Who qualifies for accelerated payments?

Only individuals eligible for the Montgomery GI Bill - Active Duty (Chapter 30) qualify for accelerated payments.

How high do the tuition and fees have to be?

To receive accelerated payment, the tuition and fees must be more than double the Montgomery GI Bill benefits that you would otherwise receive for that term. For example, if your full-time rate is \$732 and you are enrolled in a 4-month semester, your tuition and fees must be over \$5,856 (4 months x \$732=\$2,928; \$5,856=2 x \$2,928) before you could receive an accelerated payment.

If you receive \$900 monthly benefits, your tuition and fees must be over \$7,200 (4 months x \$900=\$3,600; \$7,200= 2 x \$3,600). If you receive \$1,050 monthly benefits, your tuition and fees must be over \$8,400 (4 months x \$1,050 = \$4,200; 2 x \$4,200 = \$8,400).

What programs qualify for accelerated payment?

Both degree and non-degree programs qualify. You must be enrolled in a program in one of the following categories:

- Life science or physical science (but not social science);
- Engineering (all fields);
- Mathematics;
- Engineering and science technology;
- Computer specialties; and
- Engineering, science, and computer management

What industries qualify for accelerated payments?

You must intend to seek employment in one of the following industries:

- Biotechnology;
- Life Science Technologies;
- Opto-electronics;
- Computers and telecommunications;
- Electronics;
- Computer-integrated manufacturing;
- Material Design;
- Aerospace;
- Weapons;
- Nuclear technology

For more information on accelerated payments, including how to apply visit <http://www.gibill.va.gov/pamphlets/acceleratedpayinfo.htm>.

Tuition Assistance “Top-Up”

On October 30, 2000, the President signed into law an amendment to the Montgomery GI Bill - Active Duty education program that permits VA to pay a Tuition Assistance Top-up benefit. The amount of the benefit can be equal to the difference between the total cost of a college course and the amount of Tuition Assistance that is paid by the military for the course.

To be eligible for the Top-up benefit, the person must be approved for federal Tuition Assistance by a military department and be eligible for MGIB-Active Duty benefits. To be eligible for MGIB benefits, the person must be an MGIB - Active Duty participant and must have served at least 2 full years on Active Duty.

The amount of the benefit is limited to the amount that the person would receive for the same course if regular MGIB benefits were being paid. In no case can the amount paid by the military combined with the amount paid by VA be more than the total cost of the course.

If a person receives the Top-up benefit, his or her regular MGIB benefits will be reduced. The amount of entitlement charged for Top-up payments is determined by dividing the amount of the payment by the claimant's full-time monthly rate.

The benefit is available for all courses that began on or after October 30, 2000. A copy of the Tuition Assistance Authorization form for the course that has been signed by an authorized military official will be required. People who have not requested MGIB benefits before should submit a VA Form 22-1990 to establish eligibility.

The application and other evidence should be sent to one of VA's four education processing offices in Atlanta, Buffalo, Muskogee (OK), or St. Louis. See <http://www.gibill.va.gov/Contact/contact.htm> for addresses of the processing offices. The application form is available http://www.gibill.va.gov/GI_Bill_Info/How_to_Apply.htm.

Claims should specify that Tuition Assistance Top-up is being claimed.

The Top-up program is not available at this time to persons who are eligible for the MGIB Selected Reserve program.

Tutorial Assistance Program

Tutorial assistance is available if you are receiving VA educational assistance at the half-time or more rate and have a deficiency in a subject making tutoring necessary. If you have questions on this program please contact the toll-free number 1-888-442-4551.

Types of Federal Student Aid

There are three types of federal student aid:

- **Grants** are financial aid that doesn't have to be repaid (unless, for example, you withdraw from school and owe a refund).
- **Work-study** allows you to earn money for your education.
- **Loans** allow you to borrow money for school. You must repay your loans, with interest.

You apply for all three types of aid by filling out just one application: the [Free Application for Federal Student Aid \(FAFSA\)](#).

Grants

- There are two types of grants: Federal Pell Grants and Federal Supplemental Educational Opportunity Grants (FSEOGs).
- Generally, to receive a grant, you must be an undergraduate student (someone who hasn't earned a bachelor's or graduate degree).
- You can be enrolled full time or part time.

How much can you get?

Federal Pell Grants — Award amounts can change yearly. The maximum Pell Grant award for the 2008-09 award year (July 1, 2008 to June 30, 2009) is \$4,731. The maximum award for the 2008-09 award year (July 1, 2008 to June 30, 2009) is \$4,731. The amount you get, though, will depend not only on your financial need, but also on your costs to attend school, your status as a full-time or part-time student, and your plans to attend school for a full academic year or less.

Federal Supplemental Educational Opportunity Grants (FSEOGs) — Awards range from \$100 to \$4,000 a year. FSEOGs are awarded to undergraduate students with exceptional financial need—those with the lowest Expected Family Contribution (EFC) numbers. Federal Pell Grant recipients receive priority for FSEOG awards.

What's the difference between these grants?

If you're eligible for a Federal Pell Grant, you'll receive the full amount you qualify for—each school participating in the program receives enough funds to pay the Pell amounts for all its eligible students. The amount of other student aid you might qualify for does not affect the amount of your Pell Grant.

Receiving other aid might reduce the amount of your FSEOG award. Also, each school participating in the FSEOG program receives a certain amount of FSEOG funds each year from the U.S. Department of Education. The school's financial aid office decides how best to award those funds. When all FSEOG funds are used for that award year, no more FSEOG awards can be made for that year—that's why not everyone who qualifies for an FSEOG might get one.

How will you be paid?

Your school can credit your grant funds to your school account, pay you directly (usually by check), or combine these methods. Also, with your permission, schools can credit your bank account. Schools must disburse funds at least once

per term (semester, trimester, or quarter). Schools that don't use formally defined, traditional terms must disburse funds at least twice per academic year.

Federal Work-Study

- Provides part-time jobs allowing you to earn money to help pay for school;
- Encourages community service work and work related to your course of study, whenever possible;
- Is available to undergraduate and graduate students; and
- Is available to full-time and part-time students.

How much can you make?

You'll be paid at least the minimum wage, but you might receive more, depending on the type of work you do. You'll be paid by the hour or you might receive a salary. Your school must pay you directly at least once a month.

Can you work as many hours as you want?

No. The amount you earn can't exceed your total Federal Work-Study award. Also, when assigning work hours, your employer or financial aid administrator will consider your class schedule and your academic progress. Just as is true with the FSEOG program mentioned earlier, each school participating in the Federal Work-Study program receives a certain amount of Work-Study funds each year from the U.S. Department of Education. When all Work-Study funds are used for that award year, no more Federal Work-Study awards can be made for that year. So, you might receive less funds than you qualify for.

Where are the jobs located?

You can work either on or off campus. If you work on campus, you'll usually work for your school. If you work off campus, your employer will usually be a private nonprofit organization or a public agency, and the work performed must be in the public interest.

Your school might have agreements with private for-profit employers for Federal Work-Study jobs. If so, your job must be as relevant as possible to your course of study. If you attend a career school, there might be further restrictions on the jobs you can be assigned.

Student Loans

- With some exceptions (See page 7) loans are borrowed money you must repay, with interest.
- Both undergraduate and graduate students can receive loans.
- For some loans, you don't have to demonstrate financial need.
- The amounts you can borrow depend in part on your grade level in school.

Sound advice on student loans

The escalating costs of college have made loans nearly a necessity for most students. Not only are tuition costs soaring, but so are the costs of books, meals, gas, cell phones, recreation, etc. A variety of student loans are available to help students take care of college expenses. You just need to remember that a student loan is a loan and must be repaid.

The following are student loans with differing conditions and time frames for repayment:

A Direct Student Loan is a loan with a schedule of repayment six to nine months after the student has completed school. The funds from the Direct Student Loan are distributed through the school the student is attending. This kind of loan has interest rates that are typically lower than a Guaranteed Student Loan.

Guaranteed Student Loans, also known as Stafford Loans have a low interest rate. A student can apply for a subsidized or unsubsidized student loan. A subsidized loan means the government pays the interest for you while you are in school. The subsidized student loan is based on the student's financial need. An unsubsidized student loan means you will be charged interest while you are attending school. The principal must start being paid after you have finished school. Both types of student loans require repayment to begin six months after the student has finished college.

Federal Parent Loans are student loans that are not contingent on the student's income. However, lenders do consider personal credit history. Parents or guardians with a dependent child in college at least part-time are eligible for this kind of loan which has an interest rate of 9% or less.

Virtually all schools let students use the Direct Student loan, Guaranteed Student loan or Federal Parent loan. It is important to do your homework on loans. Research all your available options for financing your education.

Federal Perkins Loans These loans are offered to students who demonstrate the greatest financial need; Federal Pell Grant recipients get top priority. You can be enrolled full time or part time. Each school participating in the program receives a certain amount of Perkins funds each year from the U.S. Department of Education. When all those funds are used for that award year, no more Perkins Loans can be made for that year. You repay these loans to your school.

Stafford Loans These loans are for undergraduate or graduate and professional students and are made through one of two U.S. Department of Education programs:

- William D. Ford Federal Direct Student Loan Program — referred to as Direct Loans or Direct Stafford Loans. Funds for Direct Loans come from the U.S. Department of Education and are delivered to you through your school. You repay these loans to the Department.
- Federal Family Education Loan (FFEL) Program — referred to as FFEL Stafford Loans or Federal Stafford Loans. Funds will come from a bank, credit union, or other lender that participates in the program. You repay these loans to your lender or its servicing agent.

Whether you borrow a Direct or a FFEL Stafford Loan depends on which program the school you attend participates in. Most schools participate in one or the other, although some schools participate in both. It's possible for you to receive FFEL and Direct Stafford Loans, but not both types for the same period of enrollment at the same school.

For both types of Stafford Loans, you must be enrolled at least half time. You don't have to demonstrate financial need but, if you do, the government will pay the interest on your loan during certain periods.

PLUS Loans

These are loans parents can take out for their dependent undergraduate children who are enrolled as at least half-time students. The loans are made through the Direct Loan and FFEL programs mentioned above and are known either as Direct PLUS Loans or FFEL (or Federal) PLUS Loans.

What are the differences in these loan programs?

See the chart below for a quick comparison.

Student Loan Comparison Chart

Loan Program	Eligibility	Award Amounts	Interest Rate	Lender/Length of Repayment
Federal Perkins Loans	Undergraduate and graduate students; you do not have to be enrolled at least half time	Undergraduate—up to \$4,000 a year (maximum of \$20,000 as an undergraduate) Graduate—up to \$6,000 a year (maximum of \$40,000, including undergraduate loans) Amount actually received depends on financial need, amount of other aid, availability of funds at school	5 percent	Lender is your school Repay your school or its agent Up to 10 years to repay, depending on the amount owed
FFEL Stafford Loans	Undergraduate and graduate students; must be enrolled at least half time	Depends on grade level in school and dependency status (see chart) Financial need not necessary	Changes yearly; For those with financial need, government pays interest during school and certain other periods	Lender is a bank, credit union, or other participating lender Repay the loan holder or its agent Between 10 and 25 years to repay, depending on amount owed and type of repayment plan selected
Direct Stafford Loans	Same as above	Same as above	Same as above	Lender is the U.S. Department of Education; repay Department Between 10 and 30 years to repay, depending on amount owed and type of repayment plan selected
FFEL PLUS Loans	Parents of dependent undergraduate students enrolled at least half time; parents must not have bad credit history	$\frac{\text{Cost of attendance} - \text{Other aid received}}{\text{Maximum loan amount}}$	Changes yearly; government does not pay interest	Same as for FFEL Stafford Loans above
Direct PLUS Loans	Same as above	Same as above	Same as above	Same as for Direct Stafford loans above, except that a repayment plan based on income earned is not an option

How do you apply for a Perkins or Stafford Loan?

You just need to complete the Free Application for Federal Student Aid (FAFSA). But, you will need to sign a promissory note, a binding legal document that says you agree to repay your loan according to the terms of the note. Read this note carefully and save it.

How much money can you get?

- Perkins Loans — See the chart above.
- FFEL or Direct Stafford Loans — See the chart below.

Note: You can't borrow more than your cost of attendance minus the amount of any Federal Pell Grant you're eligible for and minus any other financial aid you'll get. So, you might receive less than the annual maximum amounts given in the chart. Note that there are no minimum award amounts.

When you look at the chart, you'll see that your loan limits also depend on whether you receive "subsidized" or "unsubsidized" Stafford Loans.

Subsidized Stafford Loan

If you demonstrate financial need, you can receive a subsidized Stafford Loan to cover some or all of that need. If you get a subsidized loan, the U.S. Department of Education pays the interest while you're enrolled in school at least half time, for the first six months after you leave school, and during a period of deferment—a postponement of loan payments.

The amount of your subsidized loan can't exceed your financial need.

Unsubsidized Stafford Loan

You might be able to receive loan funds beyond your subsidized loan limit or even if you don't have demonstrated financial need. In that case, you'd receive an unsubsidized loan. For this type of Stafford Loan, you're responsible for the interest from the time the loan is disbursed to you until it's paid in full. The government does not pay your interest.

Talk with the school(s) you're interested in to find out what kind of Stafford Loan you can get and how much you qualify for.

How will you get your loan funds?

- Perkins - Your school will either pay you directly (usually by check) or credit your account. Generally, you'll receive the loan in at least two payments during the academic year.
- Stafford - Your school will disburse your loan in at least two installments; no installment will be greater than half the amount of your loan. If you're a first-year undergraduate student and a first-time borrower, your first disbursement can't be made until 30 days after the first day of your enrollment period.

Your Perkins or Stafford Loan money must first be used to pay for your tuition, fees, and room and board. If loan funds remain, you'll receive them by check or in cash, unless you give the school written permission to hold the funds until later in the enrollment period.

Maximum Annual Loan Limits for Subsidized and Unsubsidized Direct and FFEL (Federal) Stafford Loans

	Dependent Undergraduate Students	Independent Undergraduate Student	Graduate/Professional Student
1st Year	\$2,625	\$6,625—No more than \$2,625 of this amount may be in subsidized loans.	\$18,500—No more than \$8,500 of this amount may be in subsidized loan.
2nd Year	\$3,500	\$7,500—No more than \$3,500 of this amount may be in subsidized loans.	
3rd and 4th Years (each)	\$5,500	\$10,500—No more than \$5,500 of this amount must be in subsidized loans.	
Maximum Total Debt from Stafford Loans When You Graduate	\$23,000	\$46,000—No more than \$23,000 of this amount may be in subsidized loans.	\$138,500—No more than \$65,500 of this amount may be in subsidized loans. The graduate debt limit includes Stafford Loans received for undergraduate study.

Note: For periods of study shorter than an academic year, the amounts you can borrow will be less than those listed. Also, you might receive less if you receive other financial aid that’s used to cover a portion of your cost of attendance.

Other than interest, is there any charge associated with these loans?

- Federal Perkins Loans - No.
- Direct and FFEL Stafford Loans - Yes, you'll pay a fee of up to 4 percent of the loan, deducted proportionately from each loan disbursement. Because of this deduction, you'll receive slightly less than the amount you're borrowing.

When do you start repaying your loans?

After you graduate, leave school, or drop below half-time status, you must begin repayment. You have a period of time, however, called a grace period, before you must start making payments.

- Federal Perkins Loans - The grace period is nine months (if you're attending less than half time, check with the financial aid administrator at your college or career school to determine your grace period).
- Direct or FFEL (Federal) Stafford Loans - The grace period is six months.

How much time do you have to repay?

- Federal Perkins Loans - Up to 10 years
- Direct and FFEL Stafford Loans - Your repayment period varies from 10 to 30 years depending on whether the loan is a FFEL or a Direct Stafford Loan and depending on which repayment plan you choose. When it comes time to repay, you can pick the plan that's right for you.

The choices are:

- A 10-year plan with a minimum monthly payment of \$50;
- A graduated plan with a monthly payment that starts out low and then increases gradually during the repayment period;
- An extended plan that allows you to repay your loan over a longer period; or
- A plan that bases the monthly payment amount on how much money you make. (Direct PLUS Loan [parent] borrowers are not eligible to repay their loans under this plan.)

You'll get more information about repayment choices before you leave school and, later, from the holder of your loan.

What if you have trouble repaying your loan?

Under certain circumstances, you can receive a deferment or forbearance on your loan.

- Deferment - Your payments are postponed. Interest does not accumulate unless you have an unsubsidized Stafford Loan. If you have an unsubsidized Stafford Loan, you must pay the interest. You must meet specific conditions to qualify for a deferment. For example, you can receive a deferment while you're enrolled in school at least half time. You'll receive more information before you leave your college or career school, and you'll also get information from the holder of your loan.
- Forbearance - Your payments are postponed or reduced. Interest continues to accumulate, however, and you are responsible for paying it, no matter what kind of loan you have. Your lender usually grants forbearance if you don't qualify for a deferment.

Deferment and forbearance periods don't count toward the amount of time you have to repay.

You must apply to the holder of your loan for either deferment or forbearance. Note that you must continue to make payments until you're notified your request has been granted. If you don't, you might end up in default.

What is default?

Default occurs when you don't repay your loan according to the terms you agreed to when you signed the promissory note for your loan. Defaulting on a student loan has very serious consequences. Listed below are some of them:

- You'll be ineligible for additional federal student aid.
- You'll be ineligible for deferment or forbearance on your loan.
- Your credit record will be damaged, which can interfere with buying what you need, like a car.
- You might have trouble getting a job.
- Legal action can be taken against you to recover what you owe.

The last thing you want to do is default! If you ever have trouble making payments, contact the holder of your loan right away to discuss options to help you out.

Are there any situations where your loan could be canceled?

Your loan can be canceled for certain specific circumstances, such as your death or total and permanent disability. You also might qualify to have your loan canceled because of the work you do once you leave school (teaching in a low-income school, for example). You'll receive more information on cancellation provisions before you leave your college or career school.

Note that your loans can't be canceled because you're having financial problems. Also, they can't be canceled because you didn't complete the program of study at your school (unless you couldn't complete the program for a valid reason—because the school closed, for example). Cancellation is not possible because you didn't like your school or program of study, or you didn't obtain employment after you finished your program.

PLUS Loans (Parent Loans)

What are PLUS Loans?

Parents who have an acceptable credit history can take out a PLUS Loan (either a Direct PLUS Loan or a Federal Family Education [FFEL] PLUS Loan) to pay the education expenses of their children. Your parents can borrow for you if you're a dependent student enrolled at least half time in an eligible program at an eligible school.

How do your parents get a loan?

- Direct PLUS Loan - Your parents must complete a Direct PLUS Loan application and promissory note, contained in a single form you can get from your school's financial aid office.
- FFEL PLUS Loan - Your parents must complete and submit an application, available from your school, lender, or the guaranty agency in your state. After the school completes its portion of the application, it must be sent to a lender for evaluation. Your parents generally will be required to pass a credit check. If they don't pass, they might still be able to receive a loan if they can demonstrate that extenuating circumstances exist, or if someone they know - who can pass - agrees to endorse the loan and promises to repay it if your parents don't.

For either a Direct or a FFEL PLUS Loan, you must meet the general eligibility requirements for federal student aid and your parents must also meet some of these general requirements. For example, they must be citizens or eligible noncitizens and may not be in default or owe a refund to any federal student aid program.

Do your parents get the money or do you?

Your school first receives the loan funds and might require your parents to endorse a disbursement check and send it back to the school. The school then applies the money to your tuition and fees, room and board, and other school charges. If any loan money remains, your parents receive the amount as a check or in cash, unless they authorize the funds to be released to you. The remaining loan money must be used for your education expenses.

When do your parents begin repaying the loan?

Generally, the first payment is due within 60 days after the loan is fully disbursed. There is no grace period for these loans. Interest begins to accumulate at the time the first disbursement is made, so your parents will begin repaying both the principal and interest while you're in school. Your parents must pay the interest on their PLUS Loan if they have a deferment or forbearance.

Looking for Student Aid

The largest source of student aid in the United States comes from the Federal Student Aid (FSA) programs. These programs provide more than \$60 billion a year in grants, loans and work-study assistance (more on these programs later in this publication).

When looking for student aid, make sure you look at all available sources including Federal and State.

Should you pay someone to help you find or apply for student financial aid?

The quick answer is no. Free help is available, whether you're looking for sources of student aid or completing the Free Application for Federal Student Aid (FAFSA). If there's a fee involved, be sure you know what you're paying for.

Where can you get free information about student aid?

The following sources usually have information about aid from the federal government and your state government; most can tell you about funds from your local community and private sources as well.

- A college or career school financial aid office. Talk to the financial aid administrator at the school you plan to attend. Be sure to ask about “institutional aid” – money the school itself awards students. The school's catalog or Web site is also a good source of information about aid available at the school.
- A local or college library. Relevant materials are usually listed under “student aid” or “financial aid.” If you need help, ask the reference librarian.
- The Internet. Search using the key words “student aid” or “financial aid.” Remember that many scams operate over the Internet, so if an Internet service charges a fee, research it carefully. Better yet, use one of the many free Internet search services or aid information sites including www.studentaid.ed.gov
- A high school counselor's office. Many counselors have a large selection of materials, know what recent graduates have received, and can guide you to free online information.

The major source of student financial aid is the U.S. Department of Education. Nearly 70% of the student aid that is awarded each year comes from the U.S. Department of Education's programs (approximately \$61 billion in 2000-01). The Department's aid includes grants, loans, and work-study.

Free materials available in the financial aid office at your college or career school or the guidance office at your high school include the Free Application for Federal Student Aid (FAFSA).

Federal Student Aid Information Center (FSAIC):
1-800-4-FED-AID (1-800-433-3243)
(TTY 1-800-730-8913)

Most federal student aid is awarded based on financial need rather than scholastic achievement. For instance, most grants are targeted to low-income students. However, you do not have to show financial need to receive certain federal student loans.

You may apply for federal student aid at no cost by filing a paper FAFSA or applying electronically with FAFSA on the Web, the online application for federal student aid. All you need for FAFSA on the Web is a computer that supports a Department-approved browser. FAFSA on the Web is at www.fafsa.ed.gov.

Who else awards aid to students?

Some sources of aid are obscure. Organizations which might have money to give students include unions, clubs, lodges, foundations, and professional organizations. Most high school guidance offices know what scholarships have been obtained by students. Contacting them is a good way to find help. Student aid may also be available from foundations, community organizations, and organizations related to your field of interest (for example, the American Medical Association or American Bar Association). Contact the organizations directly for detailed information. Check with your parents' employers to see whether they award scholarships or have tuition payment plans. Although funds from these sources make up a small percentage of the total aid awarded each year, it's worth doing the research – you never know what you might find.

Free Resources of Student Financial Aid Information:

- the financial aid office at your college or career school
- a high school counselor
- the U.S. Department of Education
- other federal agencies (including the military, if appropriate)
- your state education agency
- the reference section of your school or public library
- the Internet
- foundations, religious organizations, community organizations, local businesses, and civic groups
- organizations (including professional associations) related to your field of interest
- ethnicity-based organizations
- your employer or your parents' employers
- free scholarship search services

Scholarship Search Services: A Warning

A number of privately operated scholarship search services charge fees that can range from \$50 to well over \$1000. We do not recommend them. They provide no information that you cannot find on your own. However, if you are determined to use one of these services, it is important to understand what information scholarship search services can provide. Some can be helpful in identifying sources of aid for students who meet certain criteria, such as academic achievement, religious affiliation, ethnic or racial heritage, artistic talents, athletic ability, career plans, or proposed field of study. *However, bear in mind that funds from these sources are usually limited and not all applicants will receive awards. And remember that they have no special access to information that anyone cannot get on their own.*

Listed below are some of the services you might reasonably expect from a private scholarship search service:

- Most scholarship search services provide a list of sources of financial assistance you may apply for. After studying the list, you then send a separate application to each source that interests you. The scholarship search service does not apply on your behalf or pay any additional application fees that may be required.
- Many search services offer to refund your fee if you do not receive any award. However, some services require you to provide a rejection letter from every source on the list to claim your refund. You should be aware that many scholarship sources do not routinely send rejection letters. Make sure you get the scholarship search service's refund policy in writing before paying any money. Note that the "money back guarantee" is meaningless as virtually everyone is eligible for some kind of scholarship.

What are some questionable tactics you should watch out for?

- Some services will tell you that millions – or even billions -- of dollars in student aid go unclaimed every year. This is false or at minimum highly misleading. The large figures you may hear or read about usually represent an estimated national total of employee benefits or member benefits. Usually, such benefits are available only to a highly limited number of people, e.g., the employees (and their families) of a specific company, or to the members of a specific union or other organization.
- Some claim that you can't get the same information anywhere else. This is absolutely false. Many services make you pay to get information you could have easily obtained for free from a college financial aid office, state education agency, local library, the U.S. Department of Education, or the Internet. Remember that you can find out about student aid without paying a fee to a search service. A single \$15 book will spell out more opportunities than you will feel like applying for.
- Others request your credit card or bank account number to hold student financial aid for you. This is a rip off. Search services do not provide any awards directly to applicants, apply on behalf of applicants, or act as a disbursing agent for financial aid providers. You should never give out a credit card or bank account number unless you know the company or organization you are giving it to is legitimate, and we have yet to encounter one that is.
- Others try to get you to send them money by claiming that you are a finalist in a scholarship contest. Most sources of financial aid have application deadlines and eligibility criteria; they do not operate like a sweepstakes. Don't waste your money on these scams.
- Scholarship seminars frequently end with one-on-one meetings in which a salesperson pressures the student to "buy now or lose out on this opportunity." Legitimate services don't use such pressure tactics. You are much better off not attending such seminars and subjecting yourself to high pressure sales.

Each year, the U.S. Department of Education receives numerous complaints from students and parents who did not receive the information they expected from a search service. The Department does not evaluate private scholarship search services. If you decide to use one of these services, you should check its reputation by contacting the Better Business Bureau (www.bbb.com), a school guidance counselor, or a state attorney general's office.

Additionally, investigate the organization yourself before making a commitment:

- Ask for names of three or four local families who have used its services recently.
- Ask how many students have used the service and how many of them received scholarships as a result.
- Find out about the service's refund policy.
- Get everything in writing.
- Read all the fine print before signing anything.
- Best of all, simply do the research yourself

The Scholarship Fraud Prevention Act created a fraud-awareness partnership between the U.S. Department of Education and the Federal Trade Commission (FTC). For more information about scholarship scams or to report a scam, call the FTC toll free at 1-877-FTC-HELP (1-877-382-4357) or go to www.ftc.gov/scholarshipscams.

Most of the information private scholarship search services provide can be obtained for free elsewhere. Before you pay any company or organization to find student financial aid for you, make sure you're not paying for free information. Also make sure you know what you're getting for your money. Searching for student aid on your own can prevent you from wasting your money. You just need to know where to look.

The Self-Awarded Scholarship

There is another kind of scholarship, a guaranteed way to cut the costs of college, a form of financial help that you award yourself. The best scholarship is the one you give yourself by racing through the college degree in three or fewer years instead of the usual four years. Not only could such an accelerated program mean a 25% discount on a college education – a full year of not going to classes and paying tuition – it also gets you into the work force a year sooner, a full year of earning good money as a college graduate instead of grinding through college courses.

Many students have found that universities which offer online programs allow them to speed through courses in less than the usual time. The online option is one you may want to consider.

What You Should Know About Online Education

If you are an active duty military service member, perhaps serving aboard a U.S. Navy ship, deployed overseas, or on a Coast Guard cutter, it may seem to you that you just don't have a chance to pursue a college degree. However, today, online education puts that degree within reach. Distance education represents an excellent way for service members to earn a college degree while serving their country. Online instruction and academic programs are designed specifically to offer the flexibility necessary to fit with the busy duty schedules of active duty members of the military.

Right now, thousands of duty standing and deployed service members are earning their college degrees using online education. Many of them - while serving on active duty - manage to earn college credit just as fast as they would going to school full time on campus! The great part about online education is that you can make it fit your schedule

What Online Education Is Like

In many ways, online courses are just like traditional ones. They use the same format, with a professor, textbooks, homework, quizzes, exams, etc.

However, online courses are much more flexible. They also offer communication opportunities that traditional courses lack. Besides textbooks, online courses usually offer a mix of message boards, e-mail, chat rooms, CD-ROMs and online access to other study materials. Typically, the online professor posts a weekly reading assignment, along with questions to guide study. Students are required to post responses to the study questions and engage with other students' postings sometime during the week. While most online courses have weekly deadlines, just when you meet the week's requirements is entirely up to you.

Just as in a traditional college course, success depends on commitment. You don't need to be brilliant. You do need to be motivated. Probably the best advice we can offer is to hit the ground running. There's an old saying that a job well begun is half done.

Work especially hard when you first start and build up a good lead. Give yourself the experience of early success and you will find that this leads on to further success. One more good tip: tell your friends what you're doing. This increases your level of commitment.

Are Online College Course Valid?

Absolutely. While there are worthless "diploma mills," you need to make sure to avoid, many prestigious fully accredited schools offer courses online. These include universities like Penn State, Phoenix University, the University of Maryland and Grantham University, to name a few.

Your best bet is to find a military friendly school. Every school has its own culture. There are a number of questions you should ask when choosing the right school and program for you:

- Does Military Tuition Assistance or the MGIB cover all or most of the tuition costs?
- Does the school grant academic credit for military training as recommended by the American Council on Education (ACE)?
- Does the media (CD-Rom, e-mail, Internet, etc) fit your needs and abilities?
- Does the school have the degree program that fits your education goals?

So if you think "online" may be the best fit for you, we encourage you to begin looking for the school that meets your needs. Schools usually have free information packets they will mail you with answers to the questions above, more on tuition costs, and an application. With no obligation or cost, learning about different schools is a great way to take the first step.

Choosing an institution to continue your education can be intimidating. Several factors must be taken into consideration. Do they offer the degree I want; how much of the tuition will be covered by tuition assistance; will the classes be well presented; how will the program fit into my schedule; and will my ACE (college credit for military experience), CLEP testing, and other college credits transfer into this program?

Identifying those institutions that provide the best value for military members can be a daunting task. Often the value is lost in the sales pitch. It is discouraging to get spam announcing a new GI Bill benefit, only to find it is bait to get your e-mail address and other pertinent information to generate even more spam.

Service members have several layers of assistance. First and foremost is the advice of their Education Services Officers (ESO). ESOs have experience with a wide variety of schools and know what programs work and those that do not work well with service members. In addition the Servicemembers Opportunity Colleges (SOC) and the DANTES Catalog provide great information on schools.

Free Student Aid Information and Sources

Check out these other great resources for federal or non-federal student aid:

- Financial Aid Administrator
Talk to the aid administrator at each school you're interested in to find out about the school's aid programs and total cost of attendance.
- State Higher Education Agency
This agency in your home state can give you information about state aid—including aid from the Leveraging Educational Assistance Partnership (LEAP) Program, funded jointly by states and by us.
- Public Libraries/Internet
These are excellent sources of information on state and private forms of aid. When using either source, search using keywords like "financial aid," "student aid," "scholarships," etc.
- AmeriCorps
This program provides full-time educational awards in return for work in community service. You can work before, during, or after your postsecondary education, and you can use the funds either to pay current educational expenses or to repay federal student loans. For more information, call 1-800-942-2677. The TTY number is 1-800-833-3722. Information is also available at www.americorps.org.
- Robert C. Byrd Honors Scholarship Program (Byrd Program)
To receive aid, you must demonstrate outstanding academic achievement and show promise of continued academic excellence. For more information, call our toll-free number: 1-800-4-FED-AID (1-800-433-3243) or visit www.ed.gov/programs/idadesbyrd/index.html.
- Companies and Labor Unions
Check with your parents' places of work. They might have programs to help pay the cost of postsecondary education for employees and their children.
- Organizations, Foundations, Etc.
Foundations, religious organizations, fraternities or sororities, and town or city clubs often offer financial assistance. Include in your search community organizations and civic groups such as the American Legion, YMCA, 4-H Club, Elks, Kiwanis, Jaycees, and the Girl or Boy Scouts. Organizations connected with your field of interest can be helpful—for example, the American Medical Association and the American Bar Association are good sources for students seeking specialization in those fields.
- U.S. Armed Forces
The Armed Forces also offer financial aid opportunities. For more information on recruitment incentives, visit the U.S. Department of Defense Defenselink Web site at www.todaysmilitary.com. Click on "What You Get" at the top of the site. Then go to "College Help." You can also contact your local recruiter.
- U.S. Department of Veterans Affairs
If you (or your spouse) are a veteran or you're the dependent of a veteran, veterans' educational benefits may be available. Information is also available through the Internet at www.gibill.va.gov or call 1-888-GIBILL-1 (1-888-442-4551).

- **Internal Revenue Service (IRS)**

The IRS offers two federal income tax credits (dollar-for-dollar reductions in tax liability) for higher education expenses.

- The Hope tax credit, worth up to \$1,500 per student, is available for first- and second-year students enrolled at least half time.
- The Lifetime Learning tax credit is a tax benefit equal to 20 percent of a family's tuition expenses, up to \$10,000. The credit can be used for virtually any postsecondary education and training, including graduate and professional schools, and even for less-than-half-time study

For more information on the Hope and Lifetime Learning tax credits, and other tax benefits for postsecondary students, go to www.irs.gov. IRS Publication 970, Tax Benefits for Higher Education, which explains these credits and other tax benefits, is available online. Or, call the IRS at 1-800-829-1040. TTY callers can call 1-800-829-4059.

Using Books

While this handbook contains information on many sources of scholarship, no one book can possibly include all sources of help. Use multiple sources. Nearly every public library has a scholarship section in their reference room. Also, many high schools and colleges have scholarship databases that you can search through.

Additional Sites to Search

- U.S. Department of Education: <http://www.ed.gov/students/landing.jhtml>
- Federal Student Aid: <http://studentaid.ed.gov/PORTALSWebApp/students/english/index.jsp>
- FastWeb– Scholarship Search: www.fastweb.com
- Scholarship Resource Network Express: <http://www.srnexpress.com/>
- Scholarships.com: www.scholarship.com
- Military.com Scholarship Finder: <http://aid.military.com/scholarship/search-for-scholarships.do>