

“SHOW ME THE MONEY!!”



FINANCIAL AID INFORMATION SCHOLARSHIPS

You can get a scholarship from many sources, but you may have to do some detective work to uncover them. Your college financial aid / scholarship office or high school counselor can help you locate scholarships. Also, check out businesses, unions, ethnic or minority organizations, churches, social clubs, and community groups.

FEDERAL PROGRAMS

Most students rely on federal programs for funding. To apply for federal aid, complete a form called the Free Application for Federal Student Aid, or **FAFSA**. You'll find step-by-step instructions below.

Remember, if you want to take advantage of maximum federal funding for the fall semester, you must turn in your form as early as possible after January 1 of that year. The following federal programs are available:

Federal Pell Grants Awarded to part-time and full-time undergraduate students who show financial need. Like all grants, the Federal Pell Grant does not have to be repaid.

Federal Supplemental Educational Opportunity Grants This federal grant program is a supplement to Federal Pell Grants. Funds are limited, so apply early.

Federal Work Study Program This federal program gives you the opportunity to earn money for school, and gain valuable work experience. It's available to both undergraduate and graduate students with financial need. The amount you can earn depends on several factors: need, other aid received, and availability of school funds.

Federal Education Loans These federal loan programs allow you or your parents to borrow money either through a bank or directly through the government. These low interest loan programs include Federal Perkins Loans (student), Federal Stafford Loans (student), and PLUS Loans (parent).

STATE AID

Most states offer grants and scholarships; some offer work study. Check with your school's financial aid office or your state's Higher Education board to find out what's available.

INSTITUTIONAL AID

Many colleges and universities offer scholarships and grants. The programs offered and applications needed vary from school to school. Most schools automatically consider you for these awards when you apply for financial aid. However, it's always a good idea to check with your financial aid office to find out exactly what they offer and how to apply.

HOW DO I GET STARTED?

In order to receive financial aid, you must apply each year you are in college. If you don't think you qualify, try anyway. You may have more options than you think. Generally, the earlier you apply, the better your chances for aid may be.

FOLLOW THESE STEPS TO APPLY:

STEP 1

Pick up a Free Application for Federal Student Aid (FAFSA) from your high school guidance office, the college you plan to attend, or the U.S. Department of Education's web site at:

<http://www.fafsa.ed.gov>

A FAFSA determines how much money you and your family must contribute each year for your education. (In addition, to the FAFSA, some schools require you to fill out their own application. Check with each school you are considering to find out what they require.

STEP 2

Check out as many sources as you can find for scholarships. The high school scholarship office and counselor are excellent resources. You might want to consider visiting your local library or the internet to find out about organizations offering scholarships. Note that these resources are free; you should never pay for this information.

STEP 3

Complete and submit the FAFSA to the address indicated on the form. Remember to turn in your FAFSA as soon as possible after January 1 of the year you plan to attend school. Make sure to include each school under consideration. You'll find a place on the form where you can identify the schools and state agencies that should receive your results.

STEP 4

Your FAFSA will be evaluated using a standard formula which takes into account you and your family's income, assets, as well as other special circumstances. This evaluation determines the amount you and your family will need to contribute to the cost of your education. This will include tuition, fees, books, and living expenses. The difference between the cost of your education and your family's contribution is called *need*. This is the amount of financial aid you're eligible to receive. (See the sample chart to the right).

STEP 5

Within a few weeks, you'll receive a Student Aid Report which lists all the information you provided on the application. Make sure all information is correct. If not, send any corrections back to the processor.

STEP 6

After your school's financial aid office receives the results, you'll be notified of all the financial aid details in an *award letter*. This letter will show your expected family contribution, as well as the types and amounts of financial aid for which you're eligible.

STEP 7

When you receive your financial aid offer, consider your options carefully. Then reply to the school by their deadline. Then reply to the school by their deadline. If you have questions about your award, don't hesitate to call that school's financial aid office.

STEP 8

If scholarships and grants don't cover your expenses, your financial aid package may include a student loan. You may also be eligible for other alternative loan programs designed for all families whether or not they have financial need.

FINANCIAL AID FOR COLLEGE

Financial aid is calculated: (Cost of attendance includes tuition and fees, books and supplies, transportation, and living expenses)
(Family contribution is based on the results of your needs analysis)

$$\text{Cost of attendance} - \text{Your family contribution} = \text{Need}$$

Examples	2-year Public	4-year Public	4-year Private
Cost of Attendance	\$6,599	\$10,909	\$23,651
Family Contribution	-\$3,000	-\$3,000	-\$3,000
Need	=\$3,599	=\$7,909	=\$20,651

HERE ARE SOME HELPFUL HINTS

- ❖ Apply early. Most financial aid is awarded on a first-come, first-serve basis. You should submit your application in January or February for the fall school year
- ❖ Call the prospective school's financial aid office for their application deadlines.
- ❖ Make sure you complete all forms completely and correctly. Errors mean delays in processing.
- ❖ Keep a copy of every form you complete and submit.
- ❖ Record the dates on which you submitted forms and note the names of everyone with whom you spoke.
- ❖ Remember to reapply each year for financial aid.
- ❖ Don't assume that your income makes you ineligible for financial aid. You may be surprised to see what's available. Apply for every financial aid choice that's available.

Not every student qualifies for grants and scholarships. Even those who do qualify may need more funds to make ends meet. That's when an education loan can help. Many student loans are subsidized by the government. Others are available directly from your college. Still, others are offered through financial institutions. Because an education loan is a serious financial obligation you must repay, make sure you consider them only after you've exhausted all other sources of aid.

FEDERAL PERKINS LOAN

This loan, formerly the National Direct Student Loan, is a federal loan program administered by your school. It's available to both undergraduate and graduate students. The amount you can borrow is based on your need and the availability of funds. The interest rate is usually around 5% and repayment begins nine months after you leave school or drop below half-time. You can take up to 10 years to repay.

FEDERAL FAMILY EDUCATION LOAN / FEDERAL DIRECT LOAN

These government sponsored loans, including Federal Stafford and PLUS Loans, are available through financial institutions who participate in the FFEL program or through the federal government in the Direct Loan program. Check with your school to determine the program in which they participate. Eligibility and rules for both programs are the same.

FEDERAL STAFFORD LOAN

You can get these government-sponsored student loans through financial institutions. You'll encounter two types: subsidized and unsubsidized. They're different in two important ways:

- With the subsidized loan, you must show financial need. The government pays the interest while you're in school at least half-time and during a six month grace period after you've left school.
- With the unsubsidized loan, you need not show financial need to qualify. You are responsible for the interest on the loan while you're in school. Even though the government doesn't pay the interest on the unsubsidized loan, you're allowed to defer repayment while you're in school.

Families of all income levels can qualify. You may qualify for a combination of the two Federal Stafford Loans up to the maximum loan amounts listed on their tables.

FEDERAL PLUS LOAN

This loan is designed for parents to help their children pay educational expenses. You should consider it only when additional funds are needed. To qualify, you don't have to show financial need. However, the student must be enrolled at least half-time. You'll find that most schools require a needs analysis form first to determine if you qualify for other types of aid.

ANSWERS TO COMMONLY ASKED QUESTIONS

Q. Who is eligible for financial aid?

A. More than half of all college students receive some kind of aid. Recent legislation has made it possible for more students to be eligible for financial aid. To find out if you're eligible, complete the financial aid form provided by your school.

Q. Will I be eligible for financial aid if I only go to school part-time?

A. Possibly. See your college Fin. Aid Office for qualifications.

Q. Must I be accepted for admission before I can apply for financial aid?

A. Not necessarily. You may apply for financial aid at the same time you apply for admission. Of course, you must be enrolled in school before you receive any assistance.

Q. Does financial aid only cover tuition?

A. No. In determining financial need, your total cost of attendance is considered. This includes fees, books, room and board, transportation, and living expenses.

Q. If financial aid was denied last year, is there any reason to reapply?

A. Yes. Needs analysis procedures and family financial situation's change. What's more college costs may increase. That's why it is a good idea to apply each year, even if you've been denied before.

Q. How do I apply for financial aid?

A. Complete the Free Application for Federal Student Aid (FAFSA). You can get this form from your high school counselor or college financial aid office. In addition, some colleges may require you to complete their own application.

Q. When should I apply?

A. Apply as early as possible in the year you plan to attend school.

Q. When will I get my money?

A. Payment of funds varies between programs, but most are paid to students or credited to their bills at the start of the academic term.

Q. Even though I'm a dependent, my parents don't plan on providing any money for my education. What can I do?

A. Most programs assume a certain level of family contribution. Discuss your situation with your financial aid counselor.

Q. My parents want to help, but they can't afford the amount of the family contribution. What can I do?

A. Investigate the Federal PLUS Loan or alternative education loan. You can use these loans to satisfy your family's contribution.

Q. What if my parents earn high salaries? Won't I waste my time applying for aid?

A. No. Financial aid isn't just for lower income families. Many middle income families - and even those with relatively high incomes - can qualify. In fact, the Federal Unsubsidized Stafford Loan and Federal PLUS Loan are available regardless of income. You can also receive scholarships based on academic merit, athletic ability or other special skills.

Q. What happens if I don't repay? It's not the same as a regular bank loan, is it?

A. Yes, it is. A student loan is a binding contract. Any unpaid student loan can damage your credit record and result in legal action. In the future, it may also lessen your ability to qualify for credit cards or other loans. In addition, repaying your student loan shows how financially responsible you are. That, in turn, helps establish you as a good credit customer. When you're ready for major credit purchases, your good payment record will help you qualify.