

The College Insider Series

FINANCIAL

— \$ \$ \$ —

AID



The NHHEAF Network Organizations'
Center for College Planning (CCP)

Table Of Contents

Page 1

What is Financial Aid?
Net Price Calculators
Federal Websites

Page 2

How to Apply for Financial Aid
FSA ID

Page 3

FAFSA Filing Tips

Page 4

Parent Information on FAFSA

Page 5

Expected Family Contribution
Verification

Page 6

Interpreting Financial Aid Award Letters

Page 7

Sample Award Letter
Direct vs. Indirect Costs

Page 8

Comparing Award Letters

Page 9

Ways to Reduce College Costs
Scholarships

Page 10

When Financial Aid Isn't Enough

Page 11

Loan Comparisons
My College Chart

Page 12

Note Page

Page 13

Financial Aid Checklist



Just as meeting your college application deadlines is important, meeting your financial aid deadlines is essential.

About NHHEAF's Center for College Planning

Each year, the Center for College Planning (CCP) at The NHHEAF Network Organizations is dedicated to providing students and families with free valuable information about the college planning process. College Outreach Specialists travel statewide annually presenting in 100% of the state's public high schools. CCP offers an array of early awareness, college and career planning, and financial aid programs for K-12 students, parents, and school counselors.

What is Financial Aid?

FINANCIAL AID IS MONEY TO HELP STUDENTS AND FAMILIES PAY FOR COLLEGE

Financial aid encompasses both need-based aid (money given to students based on their family's financial circumstances) and merit-based aid (money awarded to students for achieving a particular accomplishment).

Merit-based aid is awarded to students based on academics, athletics, an artistic talent, volunteer services, etc. Typically, if the college awards a scholarship, it is renewable for future years as long as the student maintains a certain GPA or completes any other criteria the college requires. Students should verify the terms of a scholarship with the college so they are able to maintain the award for future years.

Need-based aid is awarded to students based on their family's financial circumstances, as documented on the FAFSA or through other financial aid paperwork. Need-based aid must be reapplied for every year through completion of financial aid form(s). All federal grants, work-study and some federal loans are need-based.

All students are guaranteed some financial assistance from the federal government to help pay for college as long as they complete the FAFSA form and the college or university is Title IV eligible to receive federal funding.

Not all financial aid is free. The student will be offered a Federal Direct Stafford Loan. This loan must be repaid. See page 6 for more information.

Net Price Calculators



Not all colleges offer merit-based aid. Some colleges solely offer need-based aid. If you are hopeful for a scholarship from a particular college, check with their admissions and/or financial aid office to determine if they do offer merit-based financial aid.

The net price calculator is a tool found on every college's admissions or financial aid website to help students and families compare the possible cost of one college to another. Net price calculators will offer a calculated estimate of financial aid based on a prospective student's family financial information. Some colleges will also allow students to include their GPA and standardized test scores in order to give a family an estimate of merit scholarship eligibility. Once a college determines the amount of aid they are able to provide, they subtract that from the college's full cost, giving your family a net price. This net price is the estimated amount that the student and/or their family must pay for him or her to enroll.

Federal Websites

fafsa.gov

File the student's Free Application for Federal Student Aid

nslds.gov

Locate information on all of the student's or parent's federal loans in one database

studentaid.ed.gov

Learn about the types of federal aid, how to apply, and repayment plans

studentloans.gov

Complete student federal student loan entrance counseling and Master Promissory Note (MPN)

How to Apply for Financial Aid

Thinking about not filing the FAFSA because you've heard you may not qualify for aid? Everyone qualifies for something! Even if your family doesn't receive free money, the only way to receive a Federal Direct Loan is to complete a FAFSA. Also, some colleges and private organizations require a completed FAFSA before awarding scholarships.

FAFSA

FAFSA (Free Application for Federal Student Aid) is the federal application required for all federal and institutional financial aid programs. File on or after **October 1**, but no later than each college's deadline (visit fafsa.gov for more information). Once a FAFSA is submitted, the student will receive his or her Expected Family Contribution (See page 5).

CSS PROFILE®

The CSS Profile is an additional, online, financial aid application required by roughly 400 colleges and scholarship programs nationwide. This form helps schools and organizations gather more information to assist in awarding their institutional grants and scholarships. There is a fee to file the CSS Profile. The fee may be waived based on the answers provided during the registration process. Check with each college to determine if this additional form is required. Visit cssprofile.org for more information and a full up-to-date list of colleges requiring the CSS Profile.



*If a parent is filing the CSS Profile on behalf of their student, they must use the **student's** College Board username and password when accessing the form.*

FSA ID

Your FSA ID is comprised of a username and password. It is used as your electronic signature to submit the FAFSA and sign any federal loan applications.

HELPFUL TIPS FOR SETTING UP YOUR FSA ID

1. Go to fsaid.ed.gov
2. Write down each username and password (noting uppercase and lowercase letters) – and store in a safe place. You cannot use any part of your name, Social Security number, or date of birth in the password.
3. The first two challenge questions must be chosen from the list of drop-down options. The next two are challenge questions of your choosing.
4. Have access to your email while creating your FSA ID. You will be prompted to verify your email address by accessing a link sent to your email. You may still use your newly-created FSA ID immediately without verifying it; however it will take between one and three business days to authenticate the information with the Social Security Administration.
5. You can opt to register your cell phone to your FSA ID account for easier retrieval in the event that you misplace your username and/or password. The registration process is completed by entering a code sent in a verification text message.

Important:

Create one FSA ID for the student and one for the parent. Students and parents cannot use the same email address or cell phone number when obtaining an FSA ID.

FAFSA Filing Tips

WHICH TAX FORMS TO USE

This easy-to-read chart outlines which tax form your family should use when filing the FAFSA form, based on the academic year the student will attend college.

High School Class	When a Student is Attending College (School Year)	When a Student Can Submit a FAFSA	Which Year's Income and Tax Information is Required
Senior	July 1, 2019 - June 30, 2020	Beginning October 1, 2018	2017
Junior	July 1, 2020 - June 30, 2021	Beginning October 1, 2019	2018

DEPENDENCY STATUS

Students are deemed either dependent or independent. The philosophy of federal student aid is that it is primarily the student and their family's responsibility to pay for the student's education. By completing the FAFSA, parents are not obligated to assist the student in paying for college, but their information will be used to help determine the student's financial aid package. **Dependent students must report parental finances when completing the FAFSA.** There are specific dependency questions to help students determine if they are an independent or dependent student. Many students going to college directly out of high school are deemed dependent. For a complete list of independency criteria, visit studentaid.ed.gov/dependency.

Student is Independent If...

Age 24 or older	Under age 24
Married	Claims him or herself on tax documents
Has a child of his/her own for whom he/she provides more than 50% support	Has a child for whom he/she <i>does not</i> provide more than 50% support
Was in foster care at <i>any point</i> after the age of 13 or has been declared homeless by their high school liaison	Was in foster care <i>prior</i> to age 13 only
Someone other than the parent or stepparent has legal guardianship of him or her	Financial support is provided by parent(s) (i.e. living in house)

Parent Information on the FAFSA

In most cases, parent information is required when filing the FAFSA. See page 3 for criteria allowing a student to file without parent information. For purposes of the FAFSA, the following people are not considered parents unless they have legally adopted the student: widowed stepparent, grandparents, foster parents, legal guardians, older brothers or sisters, aunts or uncles.

- **Divorced or Separated Parents** - If parents are divorced or separated AND do not live together, answer the questions about the parent with whom the student lived 51% or more of the time during the past 12 months. If the student lived the same amount of time with each divorced or separated parent, file the FAFSA with the parent who provided more financial support during the past 12 months or during the most recent 12 months that he or she actually received support from a parent. This parent is referred to as the "custodial parent" for financial aid purposes. If the custodial parent is married, you must include financial information (income and assets) for the step-parent.
- **Not Married but Living Together** - If the student's biological parents are unmarried but live together, both parents will need to provide information for the FAFSA. Since the parents would be unable to file federal taxes together, they will need to combine their adjusted gross incomes and tax liabilities and list them on the FAFSA in order to provide a full representation of the family's financial resources.

Income and Asset Information

This chart outlines which assets are included on the FAFSA form, and who needs to claim ownership for each type of asset (parent or student).

	Parent	Student
NOT Included	<ul style="list-style-type: none"> • Primary residence • Retirement funds (401k, 403b, IRAs including Roth) • Annuities and insurance policies • Value of family-owned businesses (if under 100 employees) 	<ul style="list-style-type: none"> • Student-owned retirement funds • (IRAs including Roth)
Income	<ul style="list-style-type: none"> • Wages • Rental income • Interest & ordinary dividends • Cashed in pensions, annuities & IRAs • Child support received for all children in the house 	Adjusted Gross Income Under \$6,660 not considered <ul style="list-style-type: none"> • Wages • Interest & ordinary dividends
Assets	Up to 5.64% of Assets <ul style="list-style-type: none"> • Cash, checking and savings • CDs, stocks, bonds, money markets, mutual funds • Equity of any property other than primary residence • Coverdells • 529s for all children 	20% of Assets <ul style="list-style-type: none"> • Cash, checking and savings • UTMA & UGMA accounts • Savings bonds (in their name)
Number In College	Both the student's and parent's financial information is calculated to determine the student's Expected Family Contribution (EFC). The parent contribution portion of the EFC is divided by the number of children enrolled in college. Each child will need to file their own FAFSA application and have their own EFC based on a combination of parent contribution and student contribution.	

Expected Family Contribution

EXPECTED FAMILY CONTRIBUTION (EFC)

The Expected Family Contribution (EFC) is the amount that is used to determine the student's eligibility for federal student financial aid. The EFC is determined by the financial information provided in the FAFSA and represents the amount of money the federal government has concluded the student's family can afford to contribute for one year of college. The student's EFC is reported on their Student Aid Report (SAR) and is included on the FAFSA confirmation page.

CONFIRMATION PAGE

The student's Expected Family Contribution (EFC) is listed on the confirmation.

Note: What appears to be a code is actually a monetary amount. In this example, the EFC is \$2,516.

Your confirmation page has been sent to you at the e-mail address: abc@fsa.gov

PRINT THIS PAGE

Confirmation Number: F 08100051803
Data Release Number (DRN): 3007 16:22:09

Congratulations, Dependent! Your FAFSA was successfully submitted to Federal Student Aid.

Does your brother or sister need to complete a FAFSA? If so, you can [transfer your parents' information into a new FAFSA](#) for your brother or sister to save time. Your parents will have to provide a signature again, but that's all.

What Happens Next

- You will receive an e-mail version of this page.
- In 3-5 business days, you will receive an e-mail notifying you that your FAFSA was processed.
- Your FAFSA information will be made available to your school(s), and they will use it to determine the aid you may be eligible to receive.
- Your school(s) will contact you if they need more information or when they are ready to discuss your financial aid award.
- If you have questions about your financial aid package, contact your school(s).

School(s) on your FAFSA:

School Name	Graduation Rate	Retention Rate	Transfer Rate	Additional Information from College Navigator
UNIV OF ILLINOIS AT CHICAGO	60%	80%	NA	NA
ALABAMA AGRICULT & MECH UNIV	35%	66%	NA	NA
UNIVERSITY OF IOWA	70%	86%	24%	NA
UNIV OF ILLINOIS @ URBANA-CHAMPAIGN	84%	93%	NA	NA

Eligibility Information

Based on the [eligibility criteria](#), you may be eligible for the following:

Estimated Expected Family Contribution (EFC) = 002516
The EFC is a measure of how much you can contribute to the cost of your education. Schools use your EFC to determine your federal student aid eligibility.
The EFC is not how much aid you will receive or how much you have to pay for college.

Pell Grant Estimate - \$3,225.00
Direct Stafford Loan Estimate - \$5,500.00
You may also be eligible to receive other federal, state, or institutional grants, scholarships, and/or work-study.

In addition, you should learn about [federal tax benefits for education](#), including the American Opportunity Tax Credit (AOTC).

Note: If the student is eligible for a Federal Pell Grant, based on his or her EFC, it will be noted here with the estimated award amount.

First year, full-time students are eligible to receive \$5,500 in a Federal Direct Loan.

Verification

As part of the financial aid process, colleges need to verify that the information provided to them on the FAFSA form is accurate. Students and parents may be asked to utilize the IRS Data Retrieval Tool (DRT) to connect directly to the IRS from the student's FAFSA and transfer their tax information into the form. Using this tool ensures accuracy. If the student or parents are unable to utilize the DRT, the college may request a copy of their Tax Transcript found on [irs.gov](#). If a student is not required to file taxes, he or she may be asked to submit a non-tax filer's form from the IRS. The college's Financial Aid Office will advise on the process at their school and which forms they will need from the student.

Verification can involve more than tax forms. Colleges may request other documentation or completion of various worksheets. Make sure to read all correspondence from the college and promptly send the required paperwork. Contact the Financial Aid Office with any specific questions about their process.



If students have applied to more than one college, know that they may be asked to submit verification forms to each one. Pay attention to emails sent to the student requesting more information from the family. Responding to these requests in a timely manner allows the Financial Aid Office to send accurate financial aid award packages.

Interpreting Financial Aid Award Letters

FINANCIAL AID AWARD LETTER

Students will only receive an award letter once they have been accepted to a college and have submitted the required financial aid form(s). This letter, or financial aid package, is the official offer of financial aid from the college. The financial aid package may include different sources of aid to help the student and their family meet the gap between the Expected Family Contribution (EFC) and the actual college cost.

TYPES OF FEDERAL FINANCIAL AID

Pell Grant

A federal grant for undergraduate students with financial need. The amount offered is based on the results of the FAFSA form. Pell grants do not need to be repaid.

Federal Supplemental Education Opportunity Grant (FSEOG)

A federal grant for undergraduate students with exceptional financial need. Students must receive the Pell grant to qualify for the FSEOG, however, not all Pell recipients are awarded an FSEOG.

Federal Work-Study

A federal student aid program that provides part-time employment while a student is enrolled in school to help pay his or her education expenses. The amount of Federal Work-Study earned does not get deducted from the college bill. Rather, it is money given to the student in a bi-weekly paycheck based on the number of hours worked. Not all students are offered work-study. Eligibility is based on the student's financial need and the resources the college has available in their work-study program.

Federal Direct Loan

Subsidized (does not accrue interest while in college) and unsubsidized (accrues interest while in college) loans are federal student loans for eligible students to help cover the cost of higher education at a four-year college or university, community college, or trade, career, or technical school.



Colleges share financial aid award letters differently. Check with each college to determine if the student's will be sent via mail, email or website portal. And always check email for important next step information from the colleges. Remember, most correspondence will be sent only to the student's email address.

FEDERAL DIRECT LOAN MAXIMUM ANNUAL LOAN AMOUNTS

Dependent Undergrad Students	Subsidized & Unsubsidized (Maximum amount of subsidized portion based on need)	Additional Unsubsidized	Maximum Amount of Award
Freshman	\$3,500	\$2,000	\$5,500
Sophomore	\$4,500	\$2,000	\$6,500
Junior	\$5,500	\$2,000	\$7,500
Senior	\$5,500	\$2,000	\$7,500

Sample Award Letter

Financial aid award letters look different at each college. While some colleges utilize the Federal Shopping Sheet, pictured, many create their own template that works best for their school. Some colleges include their estimated cost of attendance, or how much a student will potentially need for one year of college (including billable costs such as tuition, fees, and room and board if living on campus, as well as non-billable costs, such as transportation, books, supplies, etc.) right on their financial aid award letter, while others do not.

Some financial aid award letters will list the amount of free money offered (grants and scholarships) separately from loan options (Federal Direct Loans) and may include information such as net costs (a college's cost of attendance minus the total amount of grants and scholarships awarded). The financial aid award letter(s) students receive from their college(s) may not look exactly like the one shown here, but it is important for students and their families to understand the various components listed on each award.

MM / DD / YYYY

University of the United States (UUS)
Student Name, Identifier

Download

Costs in the xxxx-xx year

Estimated Cost of Attendance

\$X,XXX / yr

Tuition and fees\$ X,XXX
Housing and mealsX,XXX
Books and suppliesX,XXX
TransportationX,XXX
Other education costsX,XXX

Grants and scholarships to pay for college

Total Grants and Scholarships ("Gift" Aid; no repayment needed)

\$X,XXX / yr

Grants and scholarships from your school\$ X,XXX
Federal Pell GrantX,XXX
Grants from your stateX,XXX
Other scholarships you can useX,XXX

What will you pay for college

Net Costs

\$X,XXX / yr

(Cost of attendance minus total grants and scholarships)

Options to pay net costs

Work options

Work-Study (Federal, state, or institutional)\$ X,XXX

Loan Options*

Federal Direct Subsidized LoanX,XXX
Federal Direct Unsubsidized LoanX,XXX
*Recommended amounts shown here. You may be eligible for a different amount. Contact your financial aid office.

Other options

Family Contribution

\$X,XXX / yr

(As calculated by the institution using information reported on the FAFSA or to your institution.)

• Payment plan offered by the institution

• Military and/or National Service benefits

• Parent or Graduate PLUS Loans

• Non-Federal private education loan

Customized information from UUS

Graduation Rate

Percentage of full-time students who graduate within 6 years

XX.X%

LowMediumHigh

Loan Default Rate

Percentage of borrowers entering repayment and defaulting on their loan

X.X%

This institutionNational

Median Borrowing

Students who borrow at UUS typically take out \$X,XXX in Federal loans for their undergraduate study. The Federal loan payment over 10 years for this amount is approximately \$X,XXX per month. Your borrowing may be different.

\$

Repaying your loans

To learn about loan repayment choices and work out your Federal Loan monthly payment, go to:
<http://studentaid.ed.gov/repay-loans/understand/plans>

For more information and next steps:

University of the United States (UUS)
Financial Aid Office
123 Main Street
Anytown, ST 12345
Telephone: (123) 456-7890
E-mail: financialaid@uus.edu

Source: collegecost.ed.gov

Direct Vs. Indirect Costs

The Cost of Attendance (COA) includes both the direct costs (due directly to the college) and the indirect costs (expenses that need to be covered outside of the bill paid to the college). Examples of both types of costs include:

Direct Costs

- Tuition
- Fees
- Room and board

Indirect Costs

- Books and supplies
- Travel expenses
- Lab fees
- Health insurance (if not insured through a parent)
- Study abroad fees
- Personal expenses

Students should account for both the direct and indirect costs of college when making their college decision and yearly budget.

7

Comparing Award Letters

Since college financial aid award letters will differ in appearance from college to college, review the letters carefully to determine your family's true out-of-pocket costs (cost of the college less grants and scholarships) at each college. Keep in mind that any Federal Direct Loans will need to be repaid, so while they are excellent loan options, they must be included in the total cost of the college. Use a worksheet like this one to help you conduct a side-by-side comparison of the college financial aid offers.

APPEALING A FINANCIAL AID AWARD

Appeals are a way for families to share additional information with a college, usually in the hopes of receiving more financial aid.

If students feel that their academic circumstances have changed since scholarship money was awarded (i.e. their grades went up significantly, they received higher SAT or ACT scores, they received an honor or distinction, etc.), contact the Office of Admissions at the college to discuss applying for a merit appeal.

Appeals based on a family's change in financial circumstances should be submitted to a college's Financial Aid Office. If, after filing the financial aid paperwork, something changes within the family, such as a divorce, loss of income, unemployment, medical issue, etc., the family will need to provide documentation to the college.

While there is no guarantee a college will offer more aid based on a change in circumstances, colleges will do their best to assist the student.

FINANCIAL AID AWARD WORKSHEET

HOW MUCH WILL COLLEGE COST? Write in the Total Cost of Attendance for each college for the coming year. The Total Cost of Attendance includes tuition and fees, room and board if living on campus, books, transportation, and all other expenses needed for the year.

	Sample A	Sample B	School #1	School #2	School #3
College Name	College #1	College #2			
Total Cost of Attendance	\$ 20,000	40,000			

WHAT IS OFFERED? List all of the financial aid offered. Separate grants and scholarships from loans.

Federal Pell Grant*	\$ 5,920	5,920			
Federal SEOG Grant	\$ 1,000	2,000			
College Grants/Scholarships	\$ 3,500	15,000			
Private Scholarships	\$ 1,000	1,000			
A. Total Grants & Scholarships =	\$ 11,420	23,920			

Federal Subsidized Direct Loan	\$ 3,500	3,500			
Federal Unsubsidized Direct Loan	\$ 2,000	2,000			
Subtotal Loans =	\$ 5,500	5,500			
Subtract Loan Fees* from the Loan Subtotal	\$ (55)	(55)			
B. Total Loans =	\$ 5,445	5,445			

Total Cost of Education	\$ 20,000	40,000			
Subtract Total Grants and Scholarships (Line A)	\$ 11,420	23,920			
Total Family Cost for One Year	\$ 8,580	16,080			
Subtract Total Loans (Line B)	\$ 5,445	5,445			
Total Amount Due to School	\$ 3,135	10,635			

WHAT DOES THIS REALLY MEAN? Now that you have determined the amount of money that the student needs in order to attend each school for one year, let's look at ways to help pay the difference.

Total Amount Due to School	\$ 3,135	10,635			
Work-Study Amount Student Can Earn	\$ 500	1,500			
Tuition Payment Plan	\$				
Direct PLUS Loan	\$				
Private Loan	\$				
Subtract Total Payment Methods from Amount Due to School	\$				

This worksheet is for demonstration purposes only.



If a student is awarded work-study, understand the amount will not be taken off the total bill. Work-study is money that needs to be earned. The student will receive work-study earnings in an actual paycheck.

*Estimated 1% default fees for Federal Direct Loans. For Direct PLUS loans, a loan fee is deducted from each disbursement.

*Assuming a 0 EFC scenario

June 2018



The FAFSA requires families to enter tax or income information from two years prior. In that timeframe, much can change with respect to a family's financial situation. If there has been a change in circumstances for your family, contact each college's Financial Aid Office directly. Examples of special circumstances include unemployment, divorce or separation, death of a parent, high, unreimbursed medical expenses, and/or change in child support amount

Ways to Reduce College Costs

NH TRANSFER

NH Transfer is a website and a database offering information and guidance about transferring college credits earned in the Community College System of New Hampshire (CCSNH) to participating four-year public and private colleges and universities in New Hampshire.

You can use the Transfer Credit Database at nhtransfer.org to find out not only if the student's community college credits will transfer to a participating four-year school, but how they will transfer, as well (e.g., into what degree programs they transfer).

DUAL NH

Dual NH is an educational pathway that allows students to enroll at one of the seven CCSNH schools and be admitted into the USNH at the same time. Students will first complete an associate degree at the community college and then transition to one of the four USNH system institutions to complete a bachelor's degree. Students receive special academic advising along the way and can take advantage of activities at both colleges that may include academic, athletic, cultural and social events. To find out how to enroll, visit dualnh.com.

TUITION BREAK FOR NEW HAMPSHIRE RESIDENTS

The New England Board of Higher Education's (NEBHE) Tuition Break, the New England Regional Student Program (RSP), provides a discount on out-of-state tuition to New Hampshire residents when they enroll in approved degree programs at specific state colleges and universities in Connecticut, Maine, Massachusetts, Rhode Island and Vermont. New Hampshire residents are eligible for these degree programs because they are not offered by any New Hampshire state colleges or universities. Visit nebhe.org/tuitionbreak for more information.

Other Ways to Reduce College Costs

- Students can take Advanced Placement (AP) courses in high school and receive a score of 3 or more on the AP exam. Check with each college to determine their requirement(s) to test out of a class
- Take Running Start and/or eStart courses
- Rent textbooks
- Leave the car at home
- Use an existing health insurance plan instead of paying for the college's plan
- Utilize student discounts offered by local merchants, banks, etc.

Scholarships

Every dollar earned in a scholarship is one dollar less that a student will need to pay for college. Scholarship values range, but no matter the amount, each one goes towards decreasing the student's out-of-pocket college costs. Many students begin searching for scholarships too late. National scholarship deadlines are typically in the fall of the senior year of high school. These are harder for students to secure as students from all over the country apply. Local scholarships have less competition, and are the best place for students to focus their search. These deadlines typically occur in the spring of senior year.

NEW HAMPSHIRE CHARITABLE FOUNDATION (NHCF)

NHCF (nhcf.org) is the largest source of private scholarship aid in New Hampshire. They award over \$5 million to New Hampshire students annually. Each year, approximately 1 in 4 applicants receive an award. Below are their programs and deadlines.

Statewide Student Aid Program

Enrolling in 4 year degree program (due April 12, 2019)

Career Aid to Technical Students Program

Enrolling in 2 year degree program (due June 14, 2019)



Start your scholarship search in your high school's school counseling office.

When Financial Aid Isn't Enough

While financial aid can certainly help cover some of the cost of college, there is usually an additional amount unaccounted for that the family must cover in another manner. Families have options to meet the balance, and many choose to use a combination of funding types to do so. Families should research and understand their options fully before committing to a payment plan or loan program.

TYPES OF FUNDING OPTIONS

Tuition Payment Plans

Many colleges provide tuition payment plans for a small enrollment fee. This program helps limit the need for borrowing by allowing families to pay college costs from current income or savings. The plan offers no interest payments and is divided over 8 – 12 months. Contact the financial aid office at the student's college for more information.

Federal Direct PLUS Loan

The Federal Direct PLUS Loan is a government loan for parents. While students can certainly help with payments, ultimately the parent is responsible for repayment until the loan is satisfied. This loan does have a fixed interest rate as well as a loan origination fee. The PLUS loan has a typical repayment term of 10 years, but options are available to defer payments while the student is enrolled at least half-time. A parent interested in this loan must complete a credit pre-approval process and the annual maximum he or she can borrow is determined by the cost of education less any other aid. Visit studentaid.ed.gov for more information.

Private Student Loan

Private student loans are available through lenders such as banks and financial organizations. These loans are usually in the student's name with a credit worthy co-signer. Payments are often deferred while a student is in school.

WILL I NEED A CO-SIGNER?

Many students do not have the necessary credit history, earnings or other criteria to qualify for a private student loan without a co-signer. Co-signers agree to take responsibility for loan payments in the event that a borrower does not meet their obligation. Lenders have particular criteria that co-signers must meet regarding earnings, credit score, credit history, etc. Each lender could have different criteria, so it's important for students and their co-signer to compare student loan options before committing to one.

THINGS TO CONSIDER WHEN LOOKING FOR A PRIVATE LOAN

Fees - Are there origination or repayment fees?

Interest Rate - Is the rate fixed or variable? If variable, how high can the rate go?

Repayment Options - When does repayment begin? Are in-school payments required?

Co-Signer - Is one required? How do they evaluate the co-signer (credit score, credit history, debt-to-income ratio)? Can they be released after a certain number of payments?

Repayment Benefits - Are there interest rate reductions for autopay or having an existing account? Are there deferment options available?

Forgiveness - Is the loan forgivable in the case of death or disability?



When borrowing money for college, factor in the cost for one year and request that amount from the lender to avoid needing to apply for another loan to finance 2nd semester.

Loan Comparisons

Federal Direct PLUS Loan

Private Student Loan

Fixed interest rate of 7.59%*	Variable or fixed interest rate tied to credit score(s) and Prime/LIBOR
In parent's name for life of loan	In student's name with a creditworthy co-signer
10 year repayment; payments can be deferred while student is enrolled at least half-time as an undergraduate	10-20 year repayment; payments may or may not be deferred while student is enrolled at least half-time as an undergraduate
4.248% origination fee*	May have loan origination fee
No pre-payment penalties	May or may not have pre-payment penalties
Will accrue interest while student is in school	Will accrue interest while student is in school
Deferment & forbearance options available	Limited deferment & forbearance options available

* as of July 2018

My College Chart

COLLEGE	FAFSA DEADLINE	CSS PROFILE REQUIRED?	CSS PROFILE DEADLINE

Lined area for writing notes.



Need help with your financial aid paperwork? We're here for you! Contact us to schedule a free appointment to file your FAFSA with support from one of our college counselors.

888.747.2382, x119 • collegeplanning@nhheaf.org

Financial Aid Checklist

BEFORE YOU FILE

- ☐ Set up an FSA ID (info found on page 2).
- ☐ Students should create a spreadsheet including each school they are applying to AND each of their financial aid deadlines (suggested chart found on page 11).

READY TO FILE

- ☐ File the FAFSA on or after October 1, 2018 but no later than each school's deadline. File at **fafsa.gov**.
- ☐ If required by the school, complete and submit additional financial aid paperwork (CSS Profile and/or Institutional forms) before each school's deadlines.

REVIEW/CORRECTIONS TO YOUR FAFSA

- ☐ The Student Aid Report (SAR) will be sent to the student via e-mail or can be viewed online at **fafsa.gov** within three (3) days of submission. Review your SAR for accuracy.
- ☐ If necessary, correct inaccurate items online at **fafsa.gov**. Once corrections have been made and the FAFSA is re-submitted, the new information is automatically sent to the schools listed in the FAFSA.

VERIFICATION

- ☐ Promptly respond to any school requests for additional information or documentation as any delay can prolong the financial aid process.

FINANCIAL AID AWARD LETTER PACKAGE

- ☐ Each school the student has been accepted to will send a financial aid award. Check with each school to determine if they will send it via mail, email or post it in the student's college portal.
- ☐ Read all financial aid notifications. Most financial aid awards have conditions for receipt or renewal, such as earning a certain grade point average or being enrolled full time.
- ☐ Some schools require a student to accept the award package by either signing/returning the award letter or accepting it electronically. If this action is required, students should promptly accept the award package from the school they are attending.
- ☐ Contact the financial aid office with any questions about the award package.

SCHOLARSHIPS

- ☐ Investigate private sources of financial aid. Students should check with their high school, local library, local businesses, and employer(s). Also, visit the New Hampshire Charitable Foundation at **nhcf.org**.
- ☐ **IMPORTANT** – Notify the financial aid office at the college of any outside or private scholarships, grants or other types of student aid the student received or expects to receive. Ask the school for their policy on how outside scholarships may affect other financial aid.

COMPLETE MPN'S AND ENTRANCE COUNSELING

- ☐ Master Promissory Notes (MPN's) must be completed by students and parents prior to the funds being released to a college. Visit **studentloans.gov** to access MPN's for Direct Stafford Loans and PLUS loans. Contact any private lender(s) to learn the MPN process through their organization.
- ☐ Students must also complete Entrance Loan Counseling at **studentloans.gov** to have their Direct Stafford Loan disbursed to their school.



THINKING ABOUT COLLEGE?

The NHHEAF Network Organizations'
Center for College Planning
is Proud to Bring New Hampshire
Free College Planning
Programming and Events



- Workshops and College Planning Presentations
- Special Events Including Destination CollegeSM & Discover U
- College Planning Lending Library
- Assistance with FAFSA Filing
- Monthly College Planning e-Newsletters
- Toll-Free College Planning Hotline
- Early College Awareness Programs Featuring our College Planning Bear Mascot