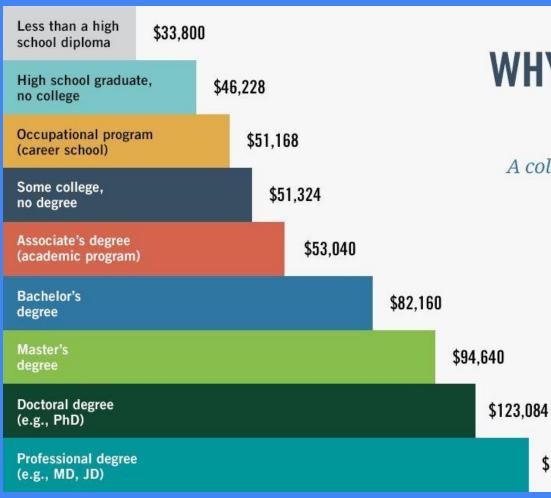
## Funding Your Education

Ann Carmichael, FAFSA Completion Coordinator Louisiana Education Loan Authority



## WHY GO TO COLLEGE OR CAREER SCHOOL?

A college degree or career school credential can improve your earning potential.

This graph shows the average 2017 earnings for people age 25+ with different levels of education. In addition to higher earnings, unemployment rates tend to be lower as you get more education (i.e., it's easier to find a job). Explore career options at StudentAid.gov/careersearch.

Source: Beureau of Labor Statistics, Current Population Survey

\$135,668

## FINANCIAL AID IS AVAILABLE FROM A VARIETY OF SOURCES:

- The U.S. Federal Government
- Your State Government
- Your College or Career School
- Nonprofit or Private Organization



# DYK?

## THERE IS NO INCOME CUT-OFF TO QUALIFY FOR FEDERAL STUDENT AID.

Many other factors—such as the size of your family and your year in school—are taken into account.

## TYPES OF FEDERAL STUDENT AID

#1

GRANTS: (FREE MONEY)
GRANTS ARE FREE MONEY FOR SCHOOL AND ARE OFTEN BASED ON FINANCIAL NEED.

#2

FEDERAL WORK-STUDY: (EARNED MONEY)

FEDERAL WORK-STUDY PROVIDES YOU WITH A PART-TIME JOB WHILE YOU'RE ENROLLED IN SCHOOL.

#3

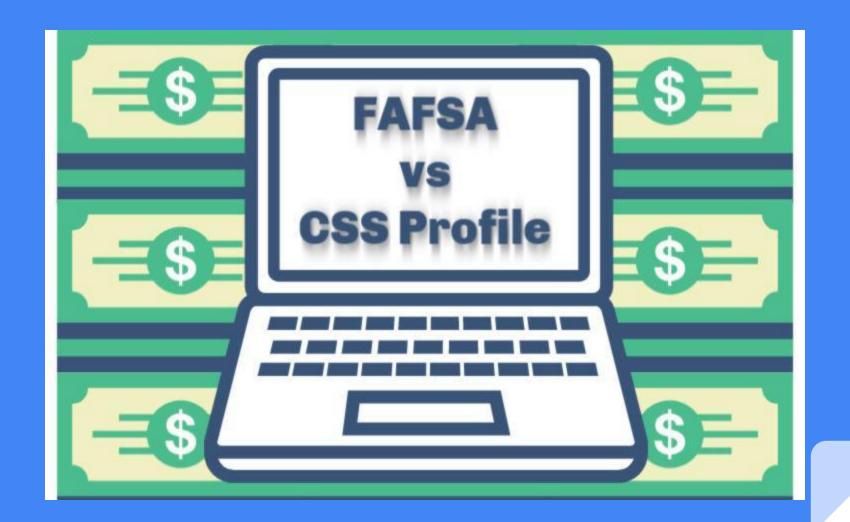
LOANS: (BORROWED MONEY)
WITH FEDERAL LOANS, YOU BORROW THE MONEY YOU NEED AND PAY IT BACK AT A LOW,
FIXED INTEREST RATE. WE PROVIDE LOANS TO STUDENTS AND PARENTS.

#4

**SCHOLARSHIPS: (EARNED MONEY)** 

WHILE WE DON'T OFFER SCHOLARSHIPS, MANY STATES, SCHOOLS, OR OTHER ORGANIZATIONS DO.





## THE FAFSA PROCESS

Each year, the federal government provides more than \$120 billion in financial aid (grants, work-study, and

loans) for college or career school. To apply for this aid, you must complete the Free Application for Federal Student Aid (FAFSA®) form. Also, state governments and many colleges and career schools use your FAFSA information to award you their aid.

#### **DID YOU KNOW?**

Some schools won't consider you for merit scholarships (scholarships based on academic achievement or other talents or skills) until you've submitted a FAFSA form, so complete one even if you think you won't qualify for federal aid.

#### RELAX!

The FAFSA form is designed to be simple to fill out. Tips throughout the application help you understand the questions. Most people finish filling out the FAFSA form in less than half an hour!

## FILLING OUT THE FAFSA FORM

Each October, the FAFSA form is available for the next school year. It's important to fill it out as soon as possible to meet school and state financial aid deadlines.

#### **SUBMISSION OPTIONS**



Electronic form (fill out at fafsa.gov)



Mail in application (download PDF at fafsa.gov or call 1-800-4-FED-AID)



Electronic submission by your college or career school (ask if they can submit the FAFSA form for you)

## MEETING FINANCIAL AID DEADLINES

Each state and school has its own FAFSA deadline. Check your school's deadline on the school's website or call the financial aid office. Most state deadlines are at fafsa.gov/deadlines.htm.

#### THE 3 FAFSA DEADLINES YOU SHOULD KNOW



#### COLLEGE DEADLINE

College deadlines vary from school to school, but they usually come well before the academic year starts. If you're applying to multiple colleges, be sure to look up each school's FAFSA® deadline and apply by the earliest one.



### STATE DEADLINE

Some states have hard deadlines and other states have suggested deadlines to make sure you get priority consideration for college money. There's also a group of states that offer first-come, first-served financial aid. If your state's deadline is "As soon as possible after Oct. 1, 2018," you should get your FAFSA® form submitted ASAP.



### FEDERAL DEADLINE

This last deadline comes from us, the U.S.
Department of Education.
Our only time constraint is that each year's FAFSA® form becomes unavailable on June 30 at the end of the academic year.

## **PROCESSING** THE FAFSA°

After you submit your FAFSA, your information will be sent to the colleges and/or career schools you listed on the form.

#### PROCESS TIMELINE

You'll receive an email within a few days, letting you know your FAFSA was processed.

Your college or career school might request additional information from you. Make sure you respond by any deadlines.

#### FIRST-TIME APPLICANTS

You'll receive an aid offer from each college or career school you applied to and listed on your FAFSA, stating the amount of aid you could receive at the school.

Review and compare your offers, and decide which school to attend based on the school's net cost and how well the school suits your needs.

Get free assistance and answers at fafsa.gov or 1-800-4-FED-AID (1-800-433-3243).

#### RENEWAL APPLICANTS

You'll receive an aid offer from your school stating the amount of aid you could receive at the school.

#### RECEIVING FINANCIAL AID

student loans, borrow

Your school will handle your aid. Ask the financial aid remember, if you're offered office when and how your aid will be paid out, what it'll cover, and how much (if

# HOW CAN I CHECK TO SEE WHETHER MY FAFSA® FORM HAS BEEN PROCESSED?

You can check the status of your FAFSA form after submitting it online. You can check the status of a paper FAFSA form after it has been processed (roughly 7–10 days from the date mailed).

Here's How:

Option 1:

Go to fafsa.gov and log in.

Option 2:

Call 1-800-433-3243.



#### Review Your FAFSA® Confirmation Page

Review Your Expected Family Contribution (EFC)





Apply for as Many Scholarships as You Can

Be on the Lookout for Your Aid Offer(s)





Make FAFSA® Corrections if You Need To

## You filled out your FAFSA® form, what happens next?

How can I check the status of my FAFSA® form? If you submitted your FAFSA form online:

- Login with your FSA ID to check your status.
- It typically takes 3-5 days to process your electronic FAFSA form.

If you mailed a paper FAFSA form:

• It'll take 7-10 days from the date it was mailed to process.

# What should I expect after I submit the FAFSA® form?

- Review your Student Aid Report (SAR) and make sure you didn't make a mistake.
- The school(s) you got accepted into will calculate your aid.
- Your school(s) will send you an aid offer.

# HOW DO I VIEW MY STUDENT AID REPORT (SAR)?

## If you have an FSA ID:

- 1. Go to fafsa.gov.
- 2. Click the Log In button and enter your FSA ID on the left. Only you, the student should know or use your FSA ID.
- 3. Select "View or Print your Student Aid Report (SAR)" from the My FAFSA® page.

## You filled out your FAFSA® form, what happens next?

How do I get my money?

The financial aid staff at your college or career school will explain exactly how and when your aid will be paid out.

They also will tell you whether you need to fill out any more paperwork or meet other requirements. Keep in touch with your school's financial aid office so that you understand the whole process of receiving your aid.

# • FACT

Your college or career school—not the U.S. Department of Education—will distribute your financial aid.



## AID OFFER

An offer from a college or career school that states the types and amounts of financial aid the school is willing to provide if you accept admission and register to take classes at that school.



## Financial aid office lines

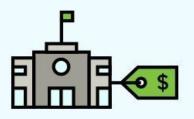




## HOW YOUR FINANCIAL AID IS CALCULATED:

COST OF ATTENDANCE (COA) EXPECTED FAMILY - CONTRIBUTION (EFC) = FINANCIAL NEED

## HOW TO CALCULATE YOUR SCHOOL'S NET PRICE.



\$9,500

Cost of Attendance

(The college's official published tuition, fees, & living expenses)



\$4,400

Grants & Scholarships

(Free money you're offered that you don't have to pay back)



\$5,100

Net Price

(The remaining amount that you're responsible for paying)

## Financial Aid Terms to Know

#### **GRANTS**

Money given to you based on your financial situation—and you don't have to pay it back.

#### **WORK-STUDY**

A part-time job that helps you earn money for college.

#### FEDERAL STUDENT LOANS

Money you borrow at fixed interest rates and pay back with interest.

## ACCEPT YOUR FINANCIAL AID OFFERS IN THIS ORDER:

ST

Free money (scholarships and grants)

 $2_{ND}$ 

Earned money (work-study)

RD

Borrowed money (federal student loans)

### WHAT KINDS OF FEDERAL GRANTS ARE AVAILABLE?

The U.S. Department of Education offers a variety of federal grants to students attending four-year colleges or universities, community colleges, and career schools.

- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grants (FSEOG)
- Teacher Education Assistance for College and Higher Education (TEACH) Grants
- Iraq and Afghanistan Service Grants

## FEDERAL WORK-STUDY



Part-time employment while you're enrolled in school.



It's available to undergraduate, graduate, and professional students with financial need.



Available to full-time or part-time students, but funds are limited so apply early.



Check with your school's financial aid office to confirm they participate in the Federal Work-Study Program.

### SUBSIDIZED LOANS

- The government will pay some of your interest under certain conditions.
- Choose these first because they'll save you more money.

### **UNSUBSIDIZED LOANS**

- · You must pay all the interest.
- If you get an unsubsidized loan, consider making loan payments while in school and/or during your grace period to reduce your overall cost.

#### WHAT'S THE DIFFERENCE?

# Subsidized Loans are Better Than Unsubsidized Loans

With subsidized loans, the U.S. Department of Education pays the interest that accrues while you're in school at least half-time, for the first six months after you leave school (referred to as a grace period), and during a period of deferment (a postponement of loan payments).

#### **MEMORY TIP:**

The "U" in unsubsidized means YOU always pay the interest.

## How to read your financial aid offer

#### A. Grants & scholarships to pay for college

This section shows any grants and scholarships you were offered. Since all of this is "free money," you don't have to pay any of it back (whew!). Grants and scholarships can come from different sources, like your state, your school, or the federal government.

#### B. What will you pay for college

Your net cost is the actual amount you'll need to pay to attend school for the year. It's determined by taking your Cost of Attendance and subtracting the total amount of your grants and scholarships (see the section above this one).

#### C. Work options

Work-study is a federal student aid program that provides part-time jobs while you're enrolled in school. This allows you to earn money as you work—paid to you in a paycheck like a regular job—to help you pay your school expenses.

#### D. Loan options

A loan is money you borrow that must be repaid with interest. Remember, loans from the federal government typically have lower interest rates and better repayment terms than loans from private lenders. For more details about federal loans visit Studentháit govíloans

#### E. Other options

This section lists other monetary sources that can help you pay for college, including PLUS loans, tax credits, and any military benefits, if applicable. You may also see other common sources like personal savings or a 529 plan, which is a plan that's established by a state or school so that you can either prepay or save up to pay education-related expenses. Once you're in college or career school and you withdraw money from your account to pay your education expenses, the money you withdraw will not be taxed.



#### F. Graduation rate

This is the percentage of full-time students who graduate in six years.

#### G. Repayment rate

This is the percentage of students who've started paying off their federal loans within three years of leaving school.

#### H. Median borrowing

This is the average monthly repayment amount for students who get loans at this school, based on a 10-year repayment schedule and the amount they borrow.

ORDER TO ACCEPT AID	TYPE OF AID	WHAT TO KEEP IN MIND
1	SCHOLARSHIPS AND GRANTS	Make sure you understand the conditions you must meet (for instance, you might have to maintain a certain grade-point average in order to continue receiving a scholarship, or your TEACH Grant might turn into a loan if you don't teach for a certain number of years under specific circumstances).
2	WORK-STUDY	You don't have to pay the money back, but you do have to work for it, so take into account that that'll mean less time for studying. However, research has shown that students who work part-time jobs manage their time better than those who don't!
3	FEDERAL STUDENT LOANS	You'll have to repay the money with interest. Subsidized loans don't start accruing (accumulating) interest until you leave school, so accept a subsidized loan before an unsubsidized loan.
4	LOANS FROM YOUR STATE GOVERNMENT OR YOUR COLLEGE	You'll have to repay the money with interest, and the terms of the loan might not be as good as those of a federal student loan. Be sure to read all the fine print before you borrow.
5	PRIVATE LOANS	You'll have to repay the money with interest, and the terms and conditions of the loan almost certainly will not be as good as those of a federal student loan.
Visit StudentAid gay for more tips!		

Visit StudentAid.gov for more tips!



PROUD SPONSOR of the AMERICAN MIND®

### **FEDERAL STUDENT LOANS**

A loan funded by the federal government to help pay for your education.

vs

### **PRIVATE LOANS**

These loans are nonfederal loans, made by a lender such as a bank, credit union, state agency, or a school.

Both of the above loans are borrowed money you must repay with interest.

## Direct PLUS Loan Application for Parents

## Here's a quick overview of Direct PLUS Loans:

- The U.S. Department of Education is your lender.
- You must not have an adverse credit history.
- The maximum loan amount is the cost of attendance (determined by the school) minus any other financial aid received

# How to Apply for a PLUS Loan



### **Requirements for Parents:**

You must be the biological, adoptive, or in some cases, stepparent of the dependent undergraduate student going to college. Your child must also be enrolled at least half-time at a school that participates in the Direct Loan Program. Unlike Direct Subsidized and Unsubsidized Loans; you, the parent, are responsible for repaying the PLUS loan.

## WHAT YOU CAN USE YOUR FINANCIAL AID FOR

**Tuition & fees** (including loan fees)



YEP 😁



**Concert tickets** 



NOPE 🙈



Room & board



YEP 😁



**Books & supplies** (including a reasonable amount for a computer)





Transportation & child care expenses



YEP



A ski trip with friends



P NOPE



**Hockey tickets** 



NOPE

## MASTER PROMISSORY NOTE (MPN)



A legal document in which you promise to repay your loan(s) and any accrued interest and fees to the U.S. Department of Education. It also explains the terms and conditions of your loan(s). For example, it will include information on how interest is calculated and on deferment and cancellation provisions.

Top Student Loan Questions, Answered

# Can you cancel your student loan?

Yes, you have a right to cancel all or part of a loan disbursement within 120 days of the date your school disbursed your loan money.

For more information visit

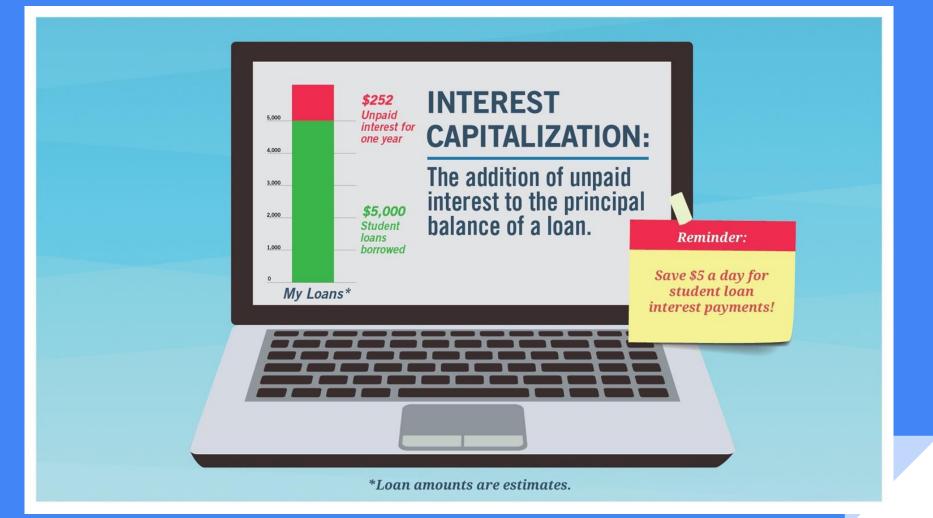
StudentAid.gov/repay

## STAYING ELIGIBLE

WHAT IF MY GRADES SLIPPED, OR I HAVEN'T COMPLETED ENOUGH CREDITS, AND MY FINANCIAL AID OFFICE TOLD ME I CAN'T GET FEDERAL STUDENT AID?

You need to make satisfactory academic progress in order to keep getting federal student aid. Talk to your school about whether you can appeal the decision and what your options are.





# How To Stay Eligible for FEDERAL STUDENT AID:

CONTINUE TO MEET BASIC ELIGIBILITY CRITERIA

MAKE SATISFACTORY ACADEMIC PROGRESS

FILL OUT THE FAFSA® FORM EACH YEAR

#### What you should know about ENTRANCE COUNSELING

# When do I go through entrance counseling?

You must complete it before your school can make the first disbursement of your loan.

#### How do I complete entrance counseling?

Your school will tell you how. They may require in-person counseling, or you may be able to complete the counseling online at StudentLoans.gov.

If your school tells you to use StudentLoans.gov to complete entrance counseling, you should expect it to take you about 30 minutes.

## **EXIT COUNSELING**

Some schools have their own exit counseling. Check with your school to be sure.

#### WHO SHOULD COMPLETE THIS?

Exit counseling is mandatory for students who have borrowed federal student loans.

## WHEN DO I GO THROUGH EXIT COUNSELING?

You must complete exit counseling when you graduate, leave school, or drop below half-time enrollment.

#### WHAT DO I NEED?



FSA ID username and password



Details on your income, financial aid, and living expenses



Contact information for two references

# FINDING THE RIGHT REPAYMENT PLAN FOR YOU

There are several repayment plans available, providing the flexibility you need.

# Here are some things you should know:

- You'll be asked to choose a plan. If you don't choose one, you will be placed on the Standard Repayment Plan, which will have your loans paid off in 10 years.
- You can switch to a different plan at any time to suit your needs and goals.
- Your monthly payment can be based on how much you make if you enroll in an income-driven repayment (IDR) plan.

### THE POWER of ADDITIONAL PAYMENTS

on a TYPICAL LOAN



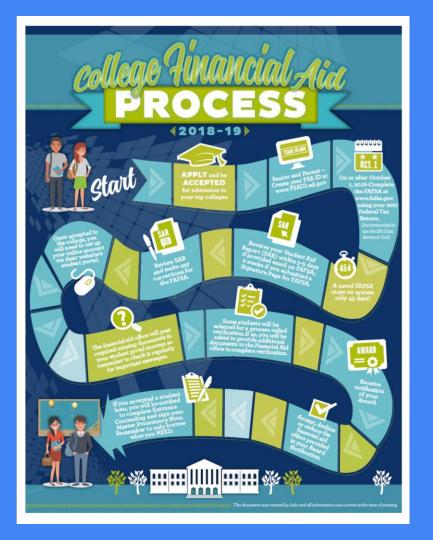
Contribute \$15 EXTRA
per month to SAVE \$395
and PAY OFF ABOUT
1 YEAR EARLIER!



Contribute \$30 EXTRA
per month to SAVE \$708
and PAY OFF ABOUT 1 YEAR
AND 11 MONTHS EARLIER!



Estimated savings are based on a 10-year loan of \$15,000 at a 4.29% interest rate with no capitalized interest and with extra payments being made from the start of repayment until the loan is fully paid off.







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