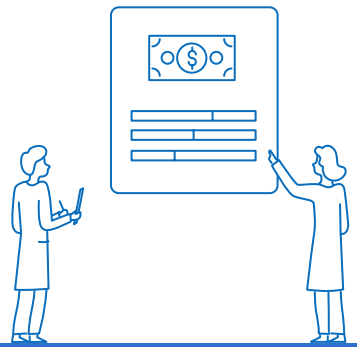
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READY

Understanding your financial aid offer



Congratulations, you've been accepted to college! First, celebrate this success. Next, figure out the cost of attending college.

Start by reviewing the financial aid offer letter from each college you've been accepted to. This letter can come with your acceptance notification via email, separately in the mail, or can be found on your student portal on the college's website (if you're not sure, call the college's financial aid office). Each school will offer a different amount of money, so it's important to review this information with your family or a trusted adult.

Every financial aid offer letter is different, but the key terms are similar across colleges. Use this guide to help make an informed financial decision about where to go to college.

Don't forget:

It's okay to have questions! You can, and should, contact a college's financial aid office.

There are lots of reasons to pick a college, the best choice for you may not be the college with the lowest price tag.

Helpful terms

Cost of Attendance (or COA)

The estimated total cost of attending a college for one academic year, including direct and indirect costs.

Direct costs
Tuition, student fees, room & meal plan, usually paid directly to the school.

Indirect costs
Other costs of going to college such as books, travel, and personal expenses.

Note: the COA may change from year to year (e.g., if tuition increases annually or if you choose an alternative housing & meal plan). **If the COA is not listed on your financial aid letter, contact the college's financial aid office and request the direct and indirect costs of attending.**

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Grants/Scholarships

Free money from the federal government, state, college, or outside/private organization that you **do not** have to pay back.

> **Note:** Ask the college's financial aid office if grants and scholarships awarded to you are renewable each year, or if the amount can be adjusted based on other factors (e.g., maintaining a certain GPA, if outside scholarships will decrease your aid, etc.).

Loans

Money that must be repaid to the government or an institution (if you finish school or not). You can choose to accept the entire loan amount, a reduced amount, or none at all.

Federal Direct Loans

Subsidized Loans

- Up to $3,500 for first-year students (can increase sophomore, junior, & senior year).
- Amount determined when you complete the Free Application for Federal Student Aid (FAFSA).
- Interest **does not** accumulate while you are in school.
- You **do not** have to pay while you're in school. You receive a 6-month grace period after graduating from college or leaving school before starting to repay loans.

Unsubsidized Loans

- Up to $5,500 for first-year students (can increase sophomore, junior, & senior year).
- Amount determined when you complete the FAFSA.
- Interest **does** accumulate while you are in school .
- You **do not** have to begin paying on this loan until 6 months after you graduate college or leave school.

> **Note:** Federal loans seem intimidating, but they are a great option to pay for college. Federal loans have lower interest rates and multiple repayment plans based on your income after college than other types of loans.

Other types of loans

(Parent) PLUS Loan

- A federal loan taken out by your parent/guardian that **cannot** be transferred to you.
- Requires that a parent/guardian undergo a credit check.
- Loan can cover up to the COA.
- Interest rate is typically higher .

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Private Loans

- Loans offered by a bank, credit union, state agency, or a college.
- Typically have higher interest rates.
- May require you make payments while in school.

Work-study

Money earned throughout the academic year by working a qualifying part-time job. This money is capped at the amount listed in your offer letter and will come in a paycheck reflecting the hours you have worked. This money is not directly applied to your student account, it can be used for books, travel, & other personal expenses.

> **Note:** On-campus jobs can be competitive. If you're eligible for a work-study job it is **your** responsibility to find a job. While working during college can help with expenses, full-time students should consider working part-time to avoid having a negative impact on academics.

In order to compare the costs at different colleges and estimate the amount you'll have to pay, check out this comparison calculator from The Consumer Financial Protection Bureau.

Still have questions? Visit Federal Student Aid to learn more.

Next steps

After reviewing your options and selecting the college you plan to attend, you need to accept your financial aid package by the deadline stated in your letter and complete any other steps.

If your financial circumstances have changed, or you are unable to pay the remaining balance expected for a college, you can appeal for more financial aid. Every college has a different process, so contact the college immediately if you need to begin that process.

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