

# How to Get **money** for College

seeing is believing

[eCampusTours.com](http://eCampusTours.com)  
making college a virtual reality

360°<sub>info</sub> X 360°<sub>images</sub>

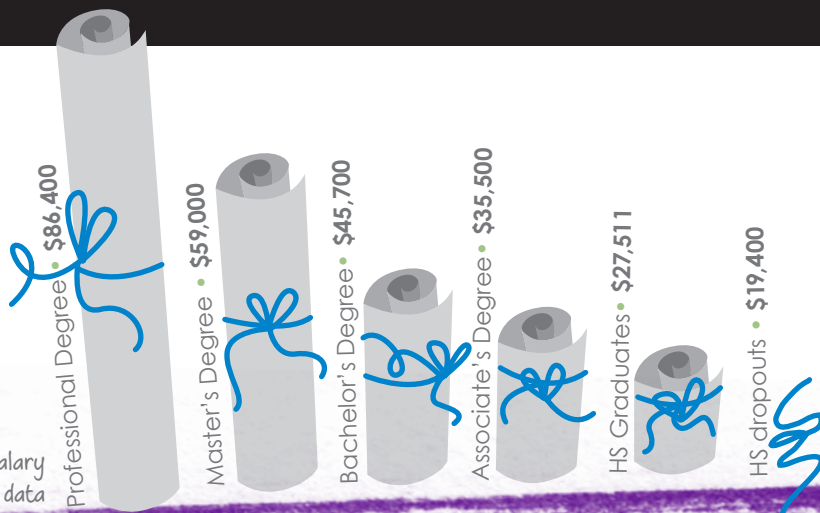
# Getting your college degree is smart

– it's the single most important investment you can make in your financial future.

So, if a college degree can **almost double your lifetime wages**, what are you waiting for?

Don't let a lack of funds cloud your vision.

Starting median annual salary  
for ages 25–34 according to 2010 census data



## Lifetime Earnings

College pays and financial aid is available if you know where to look!



**Wake Up!**

That's **41% less** in your lifetime.

# See?



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eCampusTours.com

**eCampusTours.com** features a **FREE** scholarship search, helpful financial aid information, and virtual tours of over 1,300 college campuses.

360° info X 360° images

seeing is believing

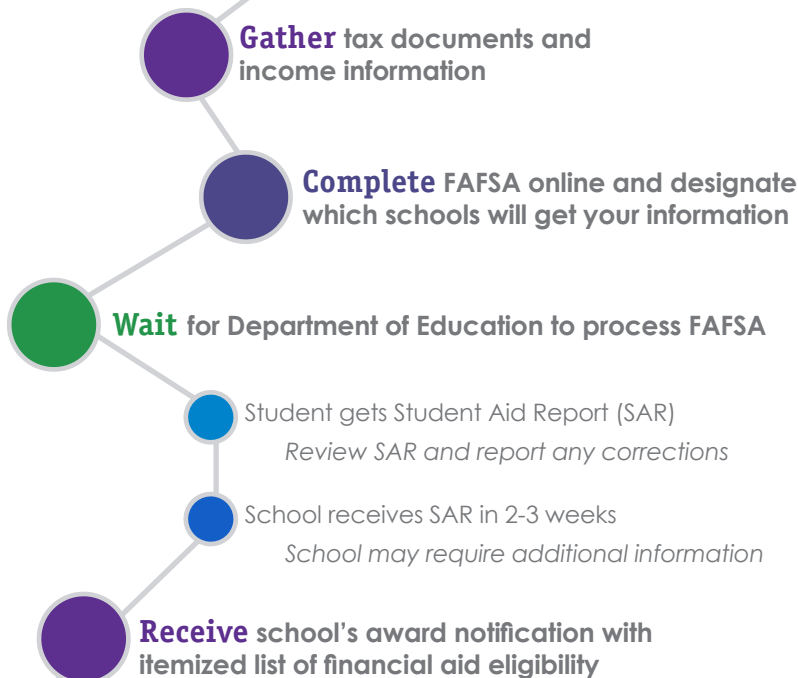


# Financial Aid 101

Understanding **financial aid** can be **overwhelming**, especially if you're just getting started.

## Here's an overview

of the financial aid basics you need to know.



TO GET AN

**\$timate** of the aid you'll receive,

ACCESS<sup>the</sup>

**FAFSA**  
Forecaster

[www.fafsa.gov](http://www.fafsa.gov)

# The FAFSA

## Applying for Financial Aid

The first and most important step in the financial aid process is to fill out the **Free Application for**

**Federal Student Aid** (FAFSA), which

determines your eligibility for any kind of federal financial aid. **Every college-bound student should submit the FAFSA,**

even if you think your parents' income is too

high to qualify for aid. Income is only one

of the criteria on which financial aid is based. Although

not every student will qualify for **grants** or **need-based**

**scholarships (gift aid)**, every student is eligible for

assistance from the federal student loan programs

**(self-help aid)** at participating schools. Even if

you plan on getting scholarships, **you never know when**

**there might be more grant or loan money** that

could cover incidental qualifying expenses, such as room

and board, textbooks, computers, etc.

**Applying online is quick,**

easy, and most importantly **FREE** at

**www.fafsa.gov**. You will need to

obtain a PIN for security purposes at

**www.pin.ed.gov**. It is very important to

file the FAFSA on time and as soon after

January 1 as possible for the year you

plan to enroll in college. The income-

based portions of your financial aid package can fluctuate

each year depending on your family's financial status and

your year in school, so you must reapply for financial aid

each year.

# YES!

We mean everyone.

Get your  
FAFSA pin at  
[www.pin.ed.gov](http://www.pin.ed.gov)

**BEWARE**  
of any site  
requiring a  
fee!

*Some schools require other financial forms – in addition to the FAFSA – such as institution-specific forms or the CSS Profile.*

*Check with the schools you want to attend to see if they require financial forms in addition to the FAFSA.*



# How Aid is Calculated

The FAFSA determines your eligibility for financial aid using a formula to calculate your **expected family contribution** (EFC). Based on the federal government's methodology, EFC refers to the amount of money that the student and parents should be able to contribute toward institutional costs over the course of an academic year. Although the cost of education is different from school to school, they will all use the same EFC to create your financial aid package. **When preparing to complete the FAFSA, students and parents should have copies of the following:**

Completed  
and signed  
tax returns  
for the  
most recent  
calendar year

W-2 forms

Savings and  
investments  
information

Untaxed income  
information, such  
as child support  
received or  
housing  
allowance

If your tax returns cannot be completed until later, you may use estimated information based on your previous earnings. A few weeks after you have electronically filed your income tax return, you should use the FAFSA corrections process to update your FAFSA using the FAFSA IRS Data Retrieval process.

**FAFSA TIP**  
To **save time**  
and **increase** the  
**accuracy** of your FAFSA  
information, use the  
**IRS Data Retrieval Tool**  
to transfer tax return data  
directly from the Internal  
Revenue Service.

Fall of Senior Year!

Colleges, universities, private organizations may have **separate application materials** with earlier deadlines that must be submitted to **apply for scholarships and grants**.

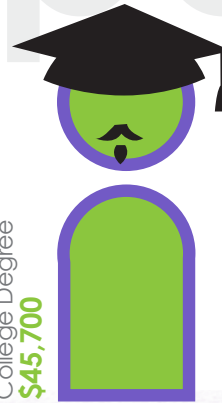
# college pays

## average SALARY

Advanced Degree  
M.D. • J.D. • D.V.M.  
**\$99,300**



College Degree  
**\$45,700**

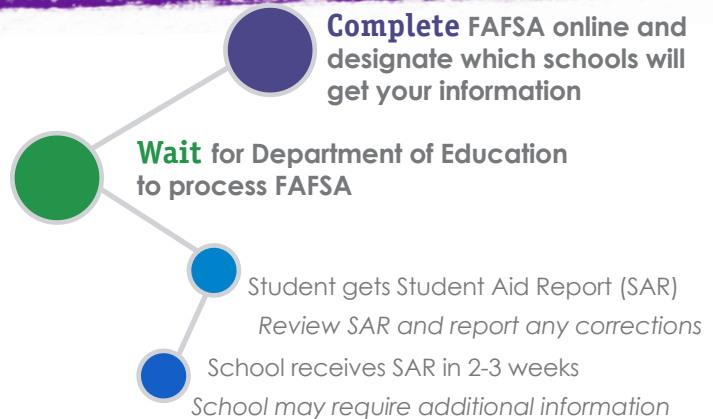


High School Diploma  
**\$27,500**



## Student Aid Report

Within a few days of submitting the FAFSA online, you should receive an email linking to your Student Aid Report (SAR), which is the information that the financial aid office staff at your school(s) uses to determine your financial aid package. This report states your EFC and restates what you put on the FAFSA. The schools you listed on your FAFSA will appear on the SAR, and those schools will receive your SAR information electronically. Review the SAR carefully to make sure it is correct and complete. If corrections are necessary or additional information is required, update and submit the form. If you filed the FAFSA using estimated income, then you should update your SAR upon completion of filing taxes. If no corrections need to be made, keep this form for your records.



# College Goal Sunday

## Get **FREE** Help with Your FAFSA

**College Goal Sunday<sup>SM</sup>** is a free nationwide program that helps students and their parents complete the FAFSA. This program specifically targets low-income, first generation students, although any student who needs assistance with the FAFSA is encouraged to attend. Financial aid administrators will go over each line of the FAFSA in-depth, and you will have the opportunity to **ask specific questions**. You will also be informed of all filing deadlines.

## When & Where College Goal Sunday

programs are held on Sundays during January and February. However, some states offer the program on Saturdays or even on weekdays. If your state does not offer a College Goal Sunday program or you are unable to attend, contact the financial aid office at the school you plan to attend for help filling out the FAFSA.

## Before You Go

Here are some **items that will be helpful** to bring with you on the day of the program:



## visit

[www.collegegoalsundayusa.org](http://www.collegegoalsundayusa.org)

to find a location and begin the registration process.





# FAFSA!

is free!

There is only one  
**Department of Education**  
site for completing the FAFSA.  
Be sure to type in the  
correct URL – **fafsa.gov** –  
or you could be making  
a costly mistake!

See?  
Not the same.

**FAFSA.COM**  
**≠**  
**FAFSA.GOV**

Likewise, **consultants** (or websites) who offer to complete the FAFSA for you in return for a fee **may not be adequately trained**. The financial aid administrator at any college or university located in your area is an excellent source of information and assistance. These professionals conduct workshops such as College Goal Sunday at high schools and community centers on a voluntary basis.

**@www.fafsa.gov**

# financial aid

Recognition for being **UNIQUELY YOU** -  
merit, talent, athletic, financial need, etc.

## GIFT AID

scholarships grants

Federal  
Aid

State  
Aid

Institutional  
& Private  
Aid

loans work study

## SELF HELP

WORK HARD to pay for school - the degree will be worth it!

# sources of financial aid

The following sections will explain legitimate sources of financial aid:

## Student loans

must be repaid. Financial aid officers at each college determine which students receive these loans and how much they receive.

## Grants

are awarded by the federal or state governments or by the school and are usually based on financial need. Most grants do not have to be paid back.

## Scholarships

are awarded to students based on financial need or for special talents in academics, music, athletics, etc. They are offered through colleges, the community, and other organizations. Most scholarships do not have to be paid back. However, keep in mind that some scholarships (especially academic) will continue to be dependent on your college GPA. Make sure you know the requirements to maintain the aid you have received!

## Federal Work-Study

is self-help aid and is awarded to students with financial need. Students can work part time to earn this award money to help with the cost of attendance. Work-study jobs can be found on or off campus through the school's financial aid office.



## Award Notification

Once a financial aid administrator at your school(s) reviews your SAR, you will be sent an award notification that lists the calculation that determines what federal, state, and institutional aid you are eligible to receive.

COA

CO\$T  
of attendance

- expected family  
contribution =

Financial Need

EFC

## Choosing the Right School

Once you receive financial aid award notifications from the schools to which you have applied, it's time to compare the financial aid packages offered by each school. Although very important, **the amount of financial aid you receive isn't the only factor you should consider** in choosing a college. Neither the school that offers you the most financial aid nor the most popular school among your friends is guaranteed to provide the right fit for your personal and academic goals, so try to keep an open mind when weighing your options. **There may be several schools on your list of choices that balance academic, personal, and financial needs.**



# Gift Aid

resources contributed by government and local agencies

## ● Federal Student Financial Aid Programs

**Federal Pell Grant** • This **need-based grant** is given to help undergraduates defray the cost of education. Eligible students may receive **these funds to attend an eligible post-secondary school**.

**Federal Supplemental Educational Opportunity Grant (FSEOG)** • This grant is given based on **exceptional financial need** and is **awarded primarily to Federal Pell Grant recipients**.

## ● Other Types of Federal Assistance

**Military** • If you or your parent/guardian is in active duty, a reservist, or a veteran, you may be eligible for federal assistance. **Visit the Veterans Affairs office** at your institution.

## **Workforce and Vocational Rehabilitation Education** •

Benefits may be available to qualified students. These offices are usually listed in the telephone book in the state offices section **under rehabilitation services or vocational rehabilitation services**.

**Indian Higher Education Grant Program** • Students who are members of an Indian tribe may be eligible for assistance from the Bureau of Indian Affairs (BIA). **Contact your tribal headquarters or visit [www.bie.edu](http://www.bie.edu)** for more information.

## ● State Aid Programs

Many states offer scholarships, need-based grants, and special loan programs to help residents pay for college. Application processes and deadlines vary from state to state. **Check with your high school counselor for details or go online at [www.eCampusTours.com](http://www.eCampusTours.com) for state-specific information.**

## ● University & Private Scholarship Assistance

Aside from federal assistance, **most scholarships and grants are offered directly from colleges and universities** based on academic merit, athletic ability, financial need, the study of a specific discipline, and other criteria. **Competition for scholarships is fierce!** Schools usually require additional applications and have specific deadlines for receipt of their applications. Private scholarships and grants may also be available from corporations, civic groups, and philanthropic and religious organizations, but **finding these resources may require extensive research**. Start with high school counselors, financial aid offices, local libraries, religious organizations, your parents' or guardians' employers, current college students, and the Internet.

# watch out! BEWARE of Scholarship Scams

Think twice before hiring a company that promises to find scholarship money! Some private scholarship search companies prey upon college-bound families by charging for services that are available elsewhere for free. Although they may claim to help find potential gift aid, no one can guarantee that a student will receive funds. Contact your high school counselor or financial aid officer before you invest money in private scholarship search programs. There are many free services available, such as the scholarship search on [eCampusTours.com](http://eCampusTours.com), that offer the same information at no charge.

**win**  
a \$1,000  
scholarship  
Register online @  
[eCampusTours.com](http://eCampusTours.com)

## Self-help Aid

resources contributed by students/parents

### ● Federal Work-Study Program

This program provides an award for potential employment for undergraduate and graduate students as part of their aid packages. **Federal Work-Study is awarded based on financial need.** If a student doesn't qualify for Federal Work-Study, you can also check with the financial aid office to see if other student employment opportunities may be available.

### ● College Savings

You should **begin planning early** for college attendance. **Family resources are the best means of funding your college education.** Your family might use a combination of savings bonds, education IRAs, personal savings, home equity loans, and current income to contribute toward college expenses.

States are also stepping in to provide the means for families to **start saving early for college** by offering programs that are exempt from federal income tax and allow for grandparents or even family friends to contribute. For more **information about the College Savings Plans Network** or the **National Association of State Treasurers**, visit [www.collegesavings.org](http://www.collegesavings.org).

**SAVE**  
**money**  
**for college**  
**learn more**  
[@www.collegesavings.org](http://www.collegesavings.org)

Up next:

**self-help aid –  
student loans**

images

# GET money for College

## ● Student Loans

### FEDERAL DIRECT STAFFORD LOANS

Although not every student qualifies for need-based aid, **every student at participating schools is eligible for the Federal Direct Loan Program**, which typically offers better interest rates and benefits than many other loans. Credit history is not a factor and payments are not required while the student is enrolled at least half time or during any grace periods or deferments.

**Subsidized Stafford Loans** are awarded to undergraduate students who demonstrate financial need based on the results of the FAFSA. They **do not accrue interest** while the borrower is enrolled at least half time or when in deferment.

**Unsubsidized Stafford Loans** provide additional funding for undergraduate students, graduate and professional students, and to students whose parents are denied a Federal PLUS Loan. **Interest begins to accrue** from the date the loan is disbursed, but payments are optional while enrolled in school and during any grace period or deferment.

### FEDERAL DIRECT PLUS LOANS

The Federal Direct PLUS loans are **for parents or step-parents** of dependent undergraduate students and **for graduate and professional students**. Interest rates are slightly higher than Stafford loans, and repayment begins 60 days after final disbursement.

federal  
student  
LOANS

What are  
they?

Loans from the U.S. government, obtained through eligible post-secondary institutions, that students or parents repay with interest

Need-based &  
non need-based types

Perkins, Direct Stafford, Direct PLUS and Direct Graduate PLUS (loans to parents and graduate and professional students)



**PLUS Loans** are granted to eligible parents of undergraduate college students **based on creditworthiness**. Under this loan, parents may borrow the difference between the amount of all financial aid received in the student's name and the cost of education at a particular institution.

**Graduate PLUS Loans** are granted to eligible graduate and professional students rather than to parents. You may borrow up to the cost of your education less any other financial aid awarded. Eligibility is not based on need or income, and credit guidelines apply.

**Federal Perkins Loans** are low-interest, need-based loans for undergraduate and graduate students. The loan is administered by the school, although not all schools participate in this program. As long as the student is enrolled at least half time, the federal government pays the interest. Repayment begins nine months after the student graduates or leaves school.

**Calculate**  
what your  
**monthly**  
**payments**  
will be after you  
graduate. Access the  
handy **student loan**  
**repayment tool!**

[www.eCampusTours.com/payingforcollege](http://www.eCampusTours.com/payingforcollege)

**scan**



## Who is eligible?

Must be a U.S. citizen, permanent resident, or eligible non-citizen

Must have a high school diploma or GED

Must have a valid Social Security number

## How do you get them?

Apply by submitting the FAFSA

Eligibility is listed on your SAR

Funds are disbursed directly to your school



# Before <sup>you</sup> Borrow

When you take out a federal student loan, you have certain responsibilities and rights as a borrower. Make sure you are familiar with these responsibilities and rights before you sign the promissory note.

## what you should do Responsibilities

- You must provide **complete and true** information on all of your loan documents.
- You must immediately **update any changes** to your name, address, telephone number, Social Security number, or student status.
- You **must repay your loan on time** even if you do not complete your education, are dissatisfied with the education that you received, or are unable to find employment after graduation.
- You will probably receive monthly statements, but **you must make repayments** on your loan **even if you don't receive a bill or repayment notice**.
- You should **communicate** if you are **having trouble making payments**. You may be able to postpone (defer) or reduce your payments.
- If you **apply for a deferment or forbearance**, you **must continue to make payments** on your loan until you are notified that the request has been granted.

## what you should expect Rights

- You have the right to **request to temporarily postpone making payments** before your repayment period starts. **Your grace period begins when you leave school** or drop below half-time status.
- Before you begin to repay, **you are entitled to receive a repayment schedule** and detailed information about interest rates, fees, balance owed, and repayment options.
- You have the right to **prepay your loan** in full or in part at any time without penalty.
- You have the right to **request a temporary deferment or forbearance** if a change in income makes repayment difficult.
- You have the right to **request an income-sensitive, graduated, or income-driven repayment plan** if eligible.

# Student Loan Limits

## For Subsidized and Unsubsidized Federal Direct Stafford Loans

For Dependent, Independent, and Graduate Students

	<b>Dependent Students</b> (except students whose parents cannot borrow a PLUS loan)	<b>Independent Students</b> (and students whose parents cannot borrow a PLUS loan)	<b>Graduate and Professional Students</b>
<b>1<sup>st</sup> year</b>	<b>\$5,500</b> Maximum of \$3,500 in subsidized loans	<b>\$9,500</b> Maximum of \$3,500 in subsidized loans	<b>\$20,500</b> Maximum of \$8,500 in subsidized loans*
<b>2<sup>nd</sup> year</b>	<b>\$6,500</b> Maximum of \$4,500 in subsidized loans	<b>\$10,500</b> Maximum of \$4,500 in subsidized loans	
<b>3<sup>rd</sup> – 5<sup>th</sup> years (each)</b>	<b>\$7,500</b> Maximum of \$5,500 in subsidized loans	<b>\$12,500</b> Maximum of \$5,500 in subsidized loans	
<b>Maximum total Stafford debt upon graduation</b>	<b>\$31,000</b> Maximum of \$23,000 in subsidized loans	<b>\$57,500</b> Maximum of \$23,000 in subsidized loans	<b>\$138,500</b> Maximum of \$65,500 in subsidized loans*

\*As of July 1, 2012, subsidized loans are no longer available to graduate and professional students.



**scan** for the most current information on **student loan** terms and **interest rates**.

[www.ecampustours.com/for-students/paying-for-college/student-loans/federal-student-loans](http://www.ecampustours.com/for-students/paying-for-college/student-loans/federal-student-loans)

seeing is believing



## Credit Cards

While **it may be tempting** to use credit cards to quickly pay for college expenses, it is important to remember that **most credit cards carry interest rates that far exceed interest rates of education loans.**

Credit card interest is not tax deductible, and borrowers are sometimes charged additional transaction fees of up to 3% of the principal by the credit card company.

# Help!

I still need more money!



unmet  
need

## Education Tax Credits and Benefits

**The American Opportunity Credit** (previously the Hope Credit) may be claimed by individuals for tuition expenses incurred by students pursuing undergraduate or graduate degrees or vocational training. The American Opportunity Tax Credit provides a 100% credit for the first \$2,000 of tuition expenses (excluding room and board) and a 25% credit for the second \$2,000 of tuition paid, with a maximum of \$2,500 per eligible student. This program has been approved through 2017.

**The Lifetime Learning Credit** allows a credit of 20% of the first \$10,000 of qualified tuition expenses paid by the taxpayer for any year the Hope/American Opportunity Credit is not claimed.

**Student loan interest deductions** may be taken by qualified taxpayers who have taken loans to finance an education at an eligible institution (a university, college, vocational school, or other post-secondary school that is qualified to participate in federal student aid programs).

*This information does not constitute legal or tax advice. Consult your tax professional to discuss your personal situation and any changes or revisions to the tax law. You may also refer to IRS Publication 970 or visit [www.irs.gov](http://www.irs.gov) for eligibility criteria and income restrictions.*

part-time  
**m** job

student loan

**n**

college  
savings



work-

# Filling the Financial Aid Gap

After calculating your financial need, financial aid administrators determine how much aid they are able to offer you. Sometimes your school of choice may offer an aid amount that is less than your financial need. This is called the financial aid gap (sometimes referred to as unmet need).

**Here are a few ways to bridge that gap:**

**Tuition plans and employment opportunities**, which are offered by most colleges and universities, break up payments into monthly installments for a minimal participation fee. Students may also find jobs on campus through employment opportunities that are not related to Federal Work-Study. The financial aid office or career services office should be able to direct you to the appropriate employment office on your campus.

**Private loan programs** are offered by banks, credit unions, and private non-profit lenders to provide additional funds to meet the cost of education once other sources of aid have been depleted or when the annual limits have been reached. The borrower may be the parents or the student; however, these credit-based loans may require a co-signer who is equally liable for the loan. Typically these loans have higher variable interest rates and fewer deferment options than Stafford, PLUS, or Graduate PLUS loans. If you are considering a private loan, borrow only what you absolutely need to pay for college, ask your financial aid office for recommendations, and choose a reputable lender that offers excellent customer service and default-prevention services. Most importantly, make sure that all other sources of aid have been explored before using private loan funds.



# Make the Most of Your Financial Aid Office's Help

**Apply early.** You should fill out the FAFSA as soon as possible after January 1<sup>st</sup> of the year for which you are requesting aid. Financial aid offices often give first consideration for some financial aid programs that have limited funds to students whose applications are received by the priority deadlines.

**Attend a financial aid workshop.** Financial aid offices often host financial aid workshops on campus or in the community to give an overview of the financial aid process and give families a chance to ask specific questions.

**Meet with a financial aid advisor.** You should contact your financial aid advisor at your school to help you choose options that are appropriate for your financial needs. Be sure to come up with a list of questions to ask.

**Understand the professional judgment policy.** If your financial situation has changed dramatically, if you experience financial hardships, or if guardianship is not represented in the FAFSA, consider meeting with an advisor. Circumstances such as death or sudden unemployment of a parent or guardian, unusual medical expenses, etc., may change your aid eligibility. Professional judgment is administered differently among schools on a case-by-case basis. While financial aid officers have the authority to use professional judgment, they are not required to do so.

**Inquire about the outside scholarship policy.** If the combination of your EFC and your aid package (including outside scholarships other than those awarded by the government or the school) exceeds the cost of attendance, your aid package must be adjusted. Many schools will work with you to reduce the impact of outside scholarships if you are up front about reporting them.

**Review the web page.** Be sure to visit your financial aid office's web site, where you will find many resources to help you through the financial aid process, such as frequently asked questions, downloadable financial aid forms, policies and procedures, etc.



# Get Financially Fit for College

## Create a College Budget

Whether your parents will be supporting you financially or you opt to get a part-time job, it's crucial for you to **learn how to budget** now to be better prepared to manage your own finances in the future.

## Determine Fixed and Variable Costs

The first step in developing a college budget is knowing **what costs you will incur**. Fixed costs, which do not fluctuate often, can include tuition, rent/room and board, car payments, car insurance, and parking fees. Variable costs, which vary from month to month, can include entertainment, gasoline, food, utilities, hygiene necessities, clothes, car maintenance, books, phone bills, and/or club dues.

## Identify Sources of Income

Once you know what your fixed and variable costs are, you need to **determine** if your **income**, including your pay from a part-time job, allowance from home, grants, scholarships, or loans, will cover the costs. If your estimated expenses exceed estimated income, then find ways to reduce expenses or increase income.

## Choose the Right Bank Account

Many **banks offer student checking accounts** with no minimum balances or monthly fees and savings accounts that can be used as overdraft protection for the checking. If you are going away from home for college, you might want to find a bank close to school to maintain easy access for deposits and

withdrawals. You may also consider finding a bank that is located in your hometown and the city of your college to ease conducting transactions while in and out of school.

## Learn How to Balance a Checkbook

If you'll be using a debit card or checks, it's imperative that you **keep your receipts or record the transactions** as soon as they are complete to avoid spending hundreds of dollars in overdraft fees when you spend more money than you have in your bank account. It might be a good idea to download an app from your bank and enroll in mobile banking.

Once you get to college and start spending money, you may find out that you need more money or that you have way too much money to waste. Either way, take the time to make appropriate adjustments to your budget.





# Senior Year Planning

research  
focus

## Summer

- Review schools on [www.eCampusTours.com](http://www.eCampusTours.com), which features virtual tours of over 1300 schools.

## September

- Focus on your top three college choices and begin scheduling campus visits.
- Begin writing admissions essays.

## October November

- Apply to the colleges that interest you.
- Request financial aid information; pay close attention to application procedures and priority filing dates.
- Intensify your search for private scholarships.
- Attend college nights/fairs and other financial aid workshops.
- Watch for early decision deadlines.

## December January

- Continue your focus on admissions applications.
- Obtain the Free Application for Federal Student Aid (FAFSA) at [www.fafsa.gov](http://www.fafsa.gov). Be sure to register for a PIN number at [www.pin.ed.gov](http://www.pin.ed.gov). Pay close attention to the instructions and school deadlines.
- File the FAFSA as soon as possible after January 1st.

plan  
watch

file  
study

decide  
compare  
notify  
attend  
review  
April  
May

- April  
May



notes

seeing is believing

23

# 360° images X 360° info college pays

## money for college

**eCampusTours.com** puts college in perspective with **360° views of over 1,300 different schools** all in one comprehensive website! A **FREE National Scholarship Search** helps students scope out potential scholarships from an extensive database AND students can register online at **eCampusTours.com** to **win a \$1,000 Scholarship** awarded annually.

**eCampusTours.com**  
*making college a virtual reality*

12700 Kingston Pike • Knoxville, TN 37934  
**[www.eCampusTours.com](http://www.eCampusTours.com)**

