# Picking an Affordable College & Paying the Bill

April 2, 2025

Presented by

John Hupalo

NEW PROVIDENCE HIGH SCHOOL
PIONEERS
NEW PROVIDENCE, N.J.

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# Discussion Points

- FAST for a Great College Fit
- Decoding a Financial Aid Award Letter
- Paying the College Bill
- Reducing Financial Risk
- Q & A

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# Paying for College Guardrails

- Saving a dollar today is better than borrowing one tomorrow®
  - ➢ It's never too early or too late to save
- Student loans should be a last resort, not the first option to pay for college
- Retirement savings are for retirement

# FAST Fit: Financial, Academic, Social, Timely

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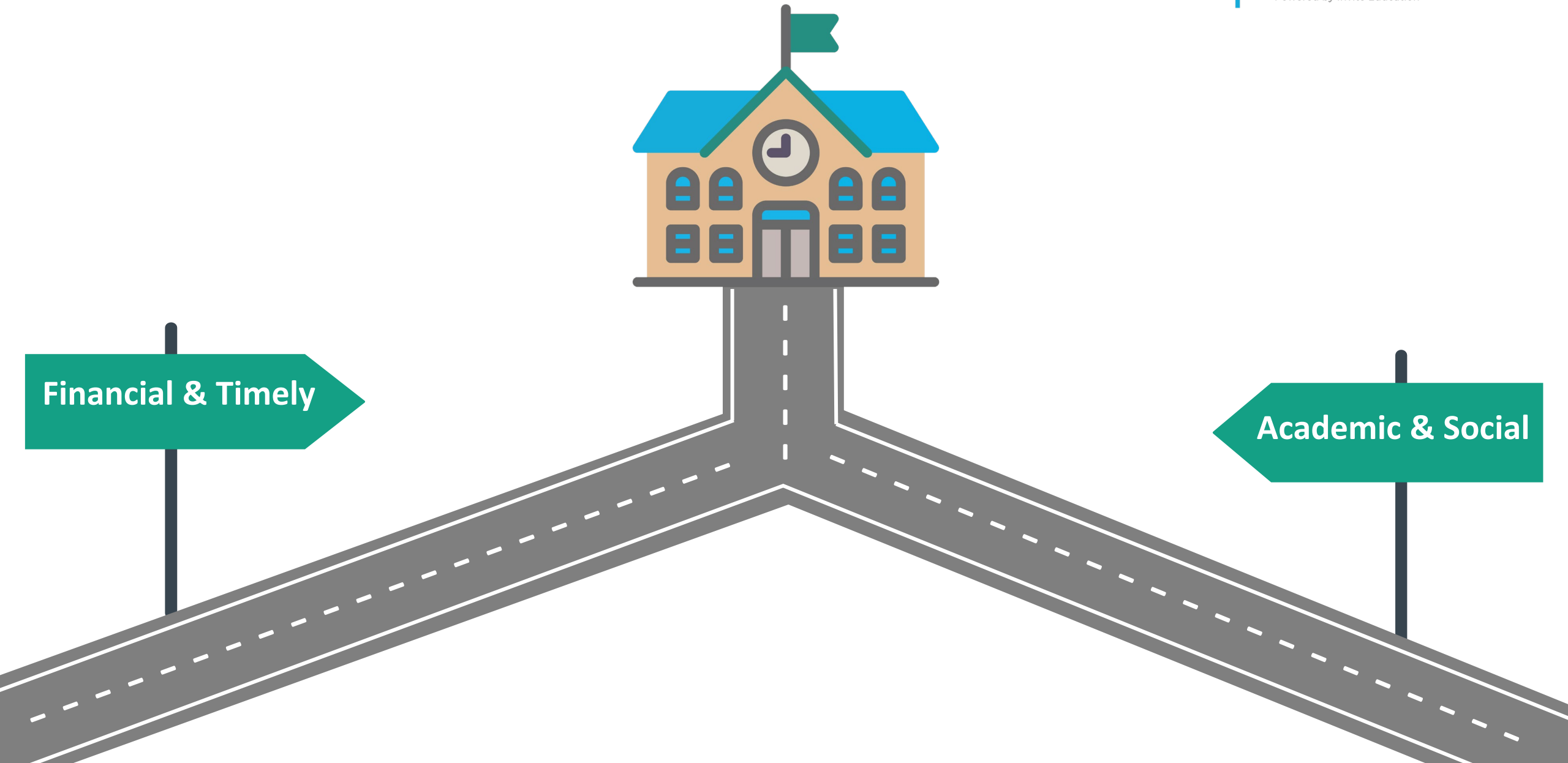
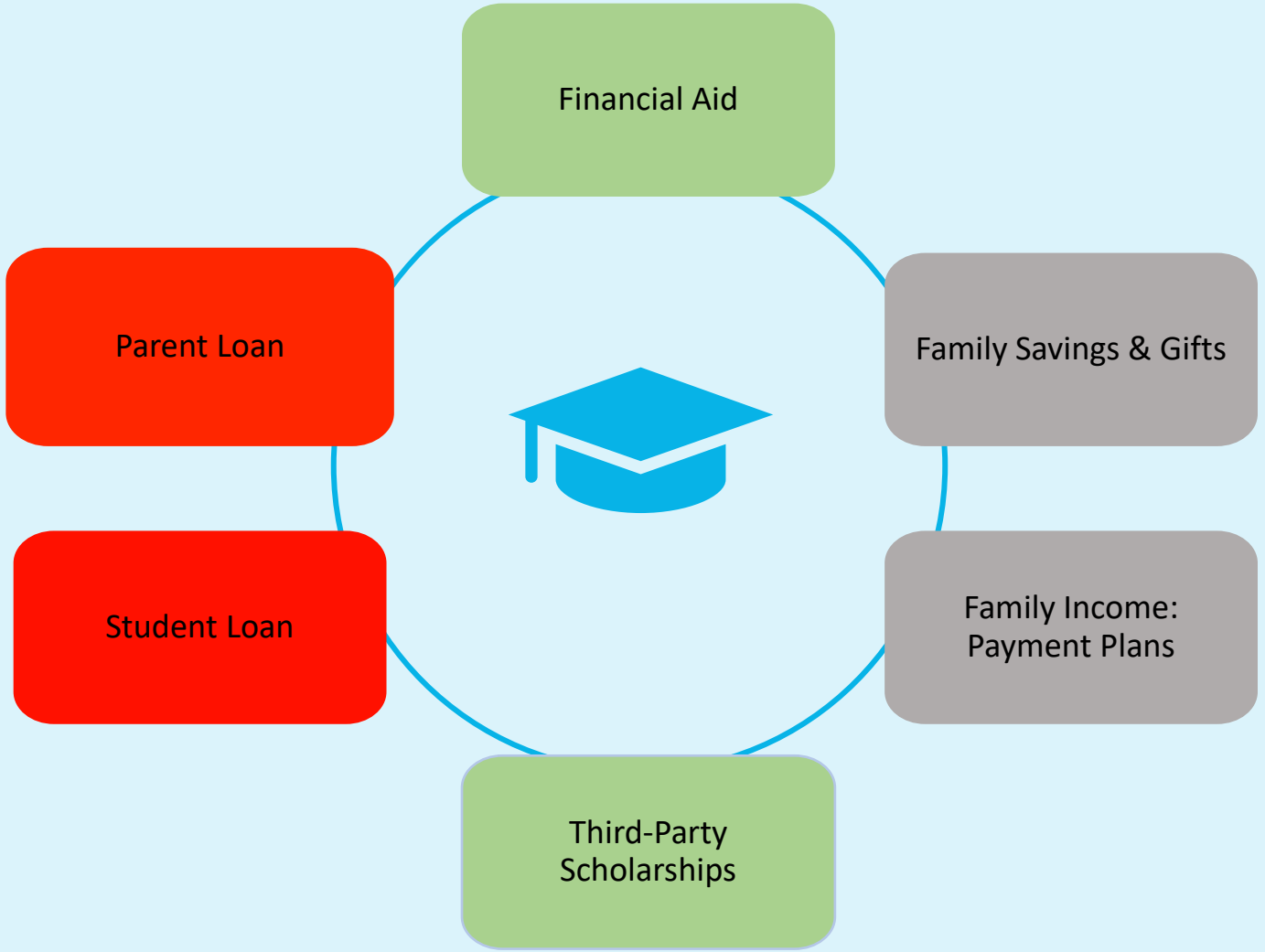


# Paying the College Bill

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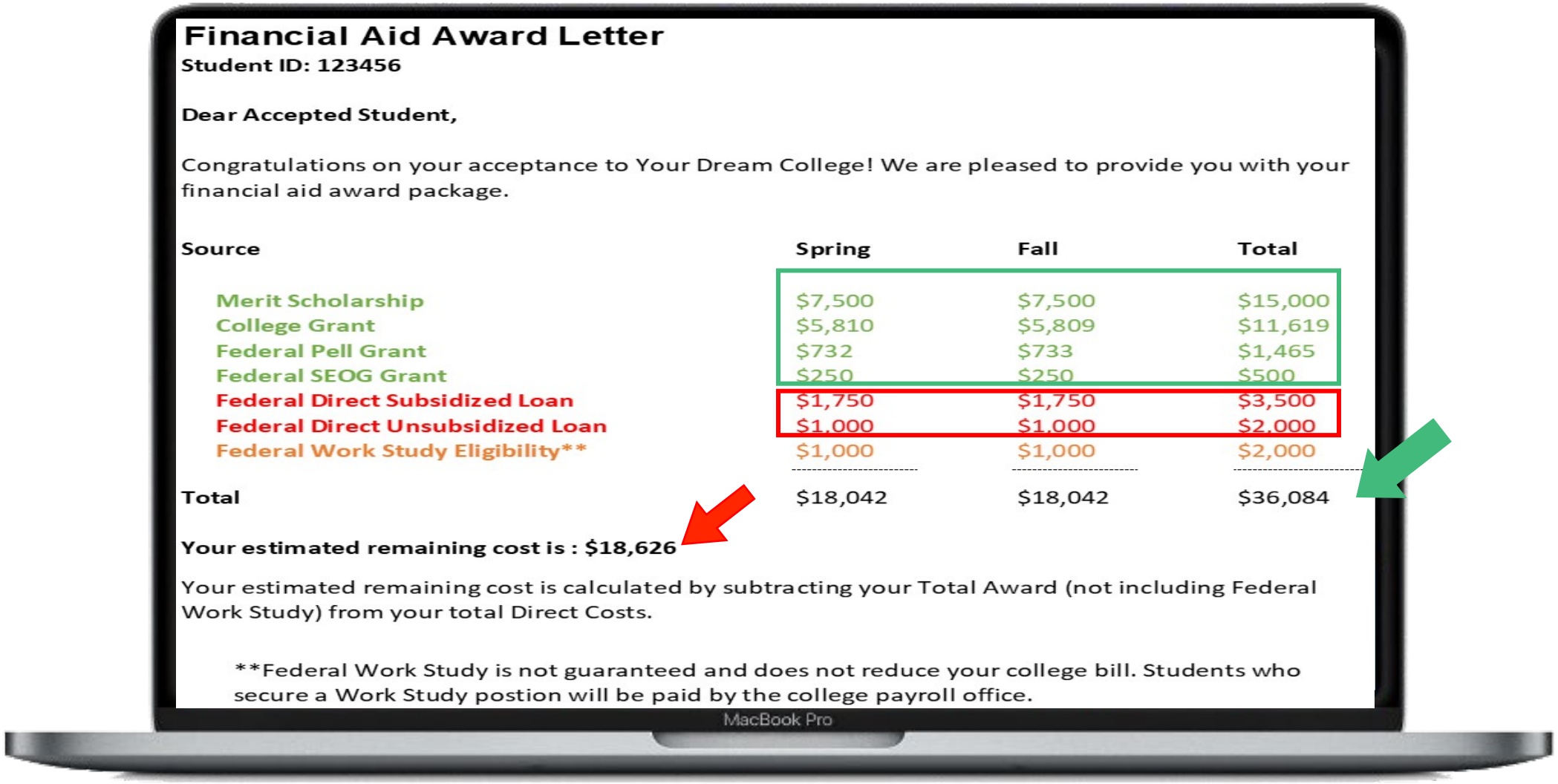
# Can You Afford This?



## Financial Aid Award Letter

**Student ID: 123456**

**Dear Accepted Student,**

Congratulations on your acceptance to Your Dream College! We are pleased to provide you with your financial aid award package.

| Source | Spring | Fall | Total |
|---|---|---|---|
| Merit Scholarship | $7,500 | $7,500 | $15,000 |
| College Grant | $5,810 | $5,809 | $11,619 |
| Federal Pell Grant | $732 | $733 | $1,465 |
| Federal SEOG Grant | $250 | $250 | $500 |
| Federal Direct Subsidized Loan | $1,750 | $1,750 | $3,500 |
| Federal Direct Unsubsidized Loan | $1,000 | $1,000 | $2,000 |
| Federal Work Study Eligibility** | $1,000 | $1,000 | $2,000 |
| **Total** | $18,042 | $18,042 | $36,084 |

**Your estimated remaining cost is : $18,626**

Your estimated remaining cost is calculated by subtracting your Total Award (not including Federal Work Study) from your total Direct Costs.

**Federal Work Study is not guaranteed and does not reduce your college bill. Students who secure a Work Study postion will be paid by the college payroll office.

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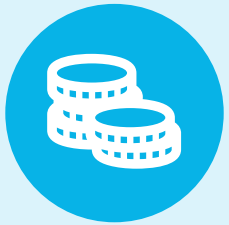
# Family Savings

**Savings Bonds**

**Taxable Accounts**

**Roth IRAs**

**Insurance Programs**



**Coverdell Education Savings Accounts**

**529 Plans**

- Savings
- Pre-Paid

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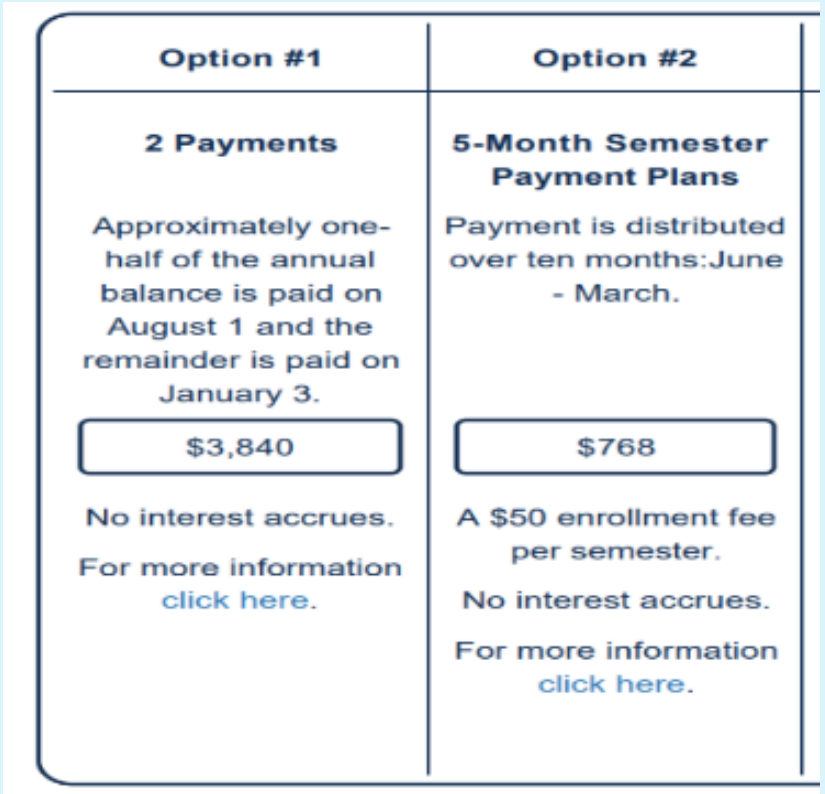
# Family Income: Payment Plans

- Usually 1-time fee
- Uses monthly income to pay
- Minimizes loans



| Option #1 | Option #2 |
|---|---|
| **2 Payments** | **5-Month Semester Payment Plans** |
| Approximately one-half of the annual balance is paid on August 1 and the remainder is paid on January 3. | Payment is distributed over ten months:June - March. |
| $3,840 | $768 |
| No interest accrues. | A $50 enrollment fee per semester. |
| For more information click here. | No interest accrues. |
| | For more information click here. |

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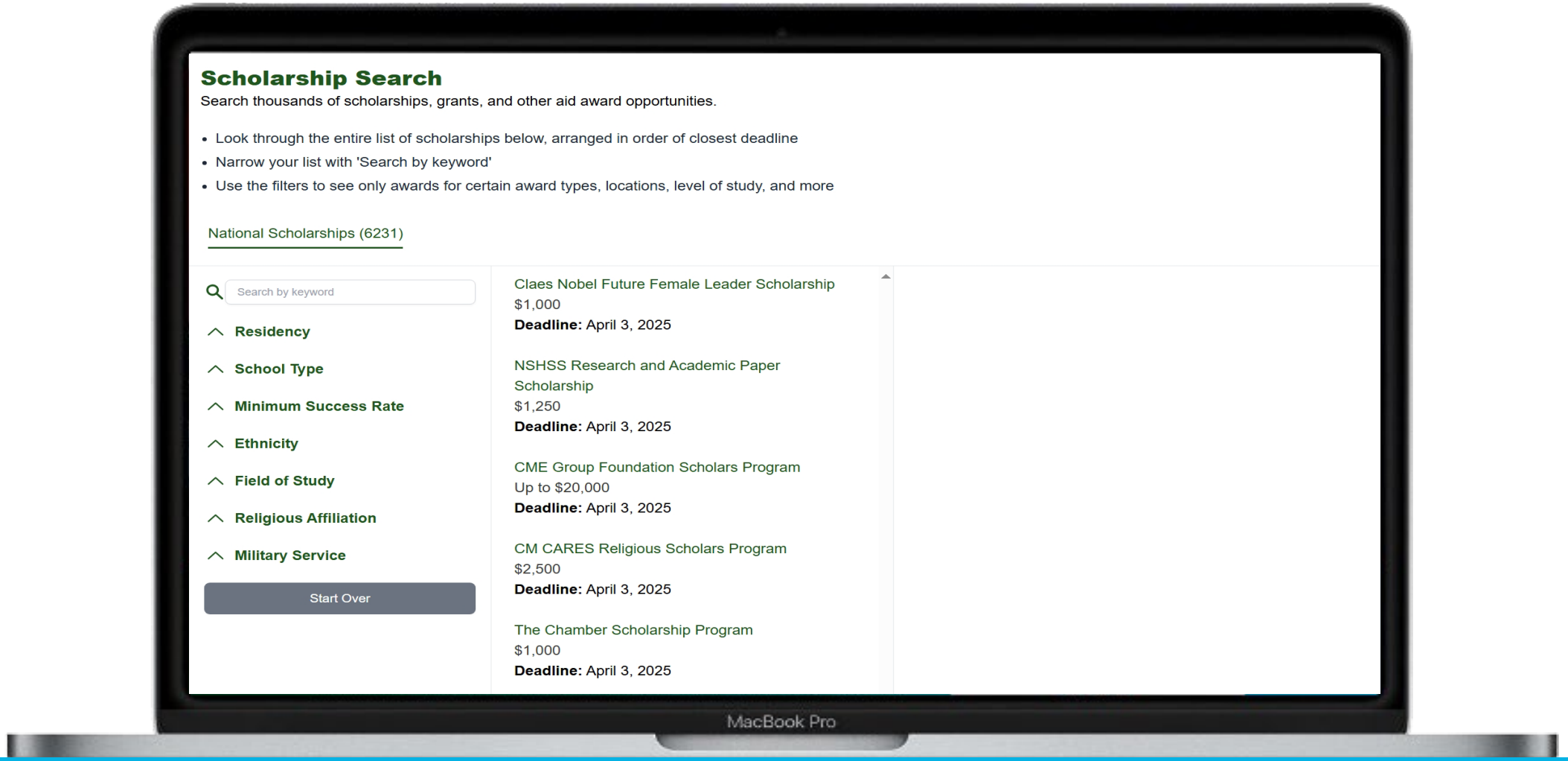
# Third-Party Scholarships



# Student and Parent Loans

## Undergraduate Students

**Federal: subsidized & unsubsidized**

- Maximums by year of study
  - Freshman: $5,500
- Fixed Interest Rate (6.53%)
- Origination fee (1.057%)
- Flexible repayment terms

**Private (w/parent co-signer)**

- Banks, Credit Unions, State Agencies, Finance Companies

## Parents

**Federal PLUS**

- Borrow up to cost of attendance
- Minimal Credit Test
- Fixed Interest Rate (9.08%)
- Hefty Origination Fee (4.228%)

**Private**

- Interest rate based on credit score
- Co-signer release
- No Origination Fee

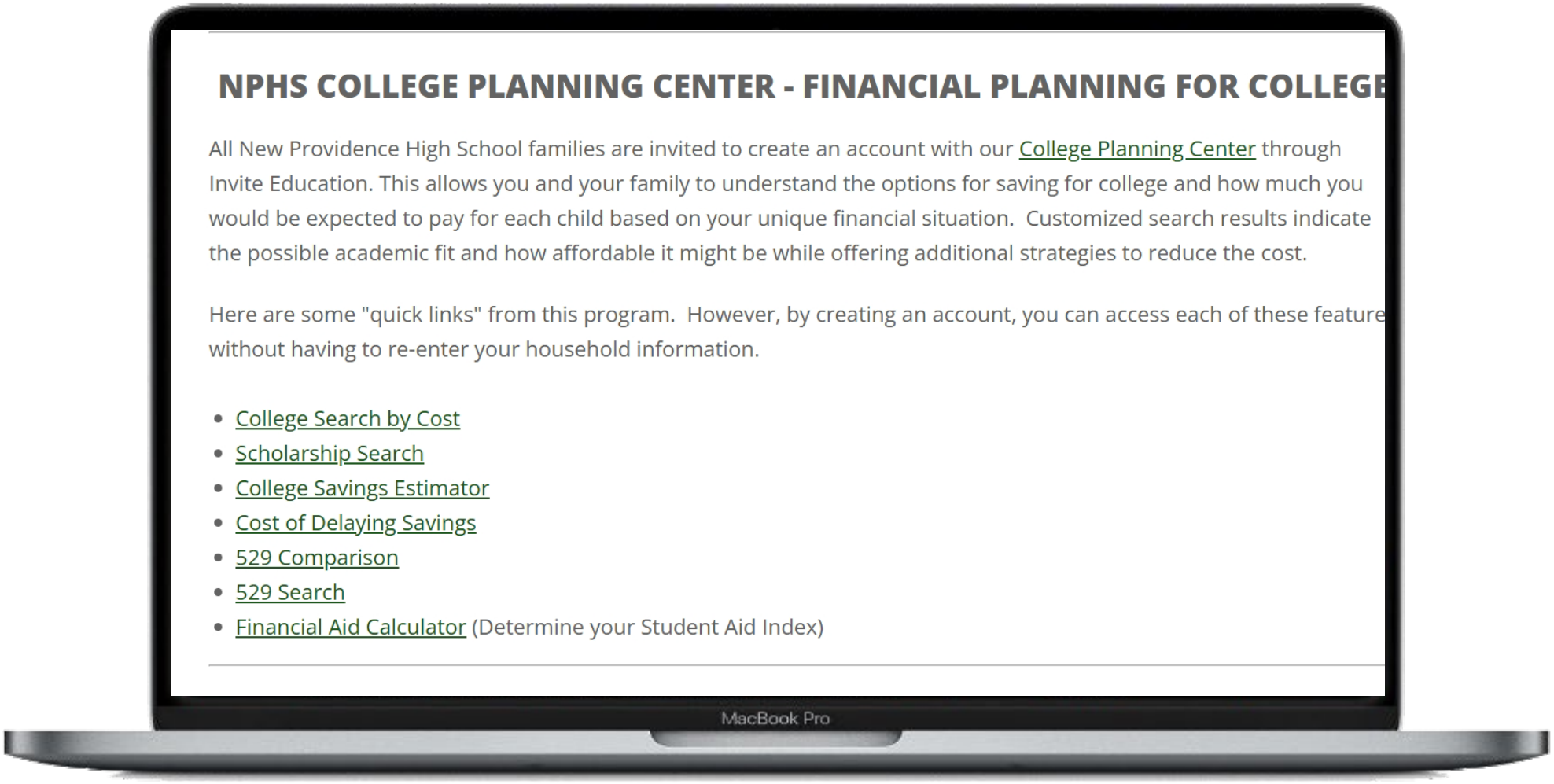
**Other**

- Home Equity
- 401(K)

# Strategies for Reducing Financial Risk

- Protect savings: Keep two years of future costs safe
- Consider Tuition Insurance
  - GradGuard
- Lock-in future cost of tuition at today's price with a pre-paid 529 Savings Plan

# Resources


NPHS COLLEGE PLANNING CENTER - FINANCIAL PLANNING FOR COLLEGE
All New Providence High School families are invited to create an account with our College Planning Center through Invite Education. This allows you and your family to understand the options for saving for college and how much you would be expected to pay for each child based on your unique financial situation. Customized search results indicate the possible academic fit and how affordable it might be while offering additional strategies to reduce the cost.
Here are some "quick links" from this program. However, by creating an account, you can access each of these feature without having to re-enter your household information.
College Search by Cost
Scholarship Search
College Savings Estimator
Cost of Delaying Savings
529 Comparison
529 Search
Financial Aid Calculator (Determine your Student Aid Index)
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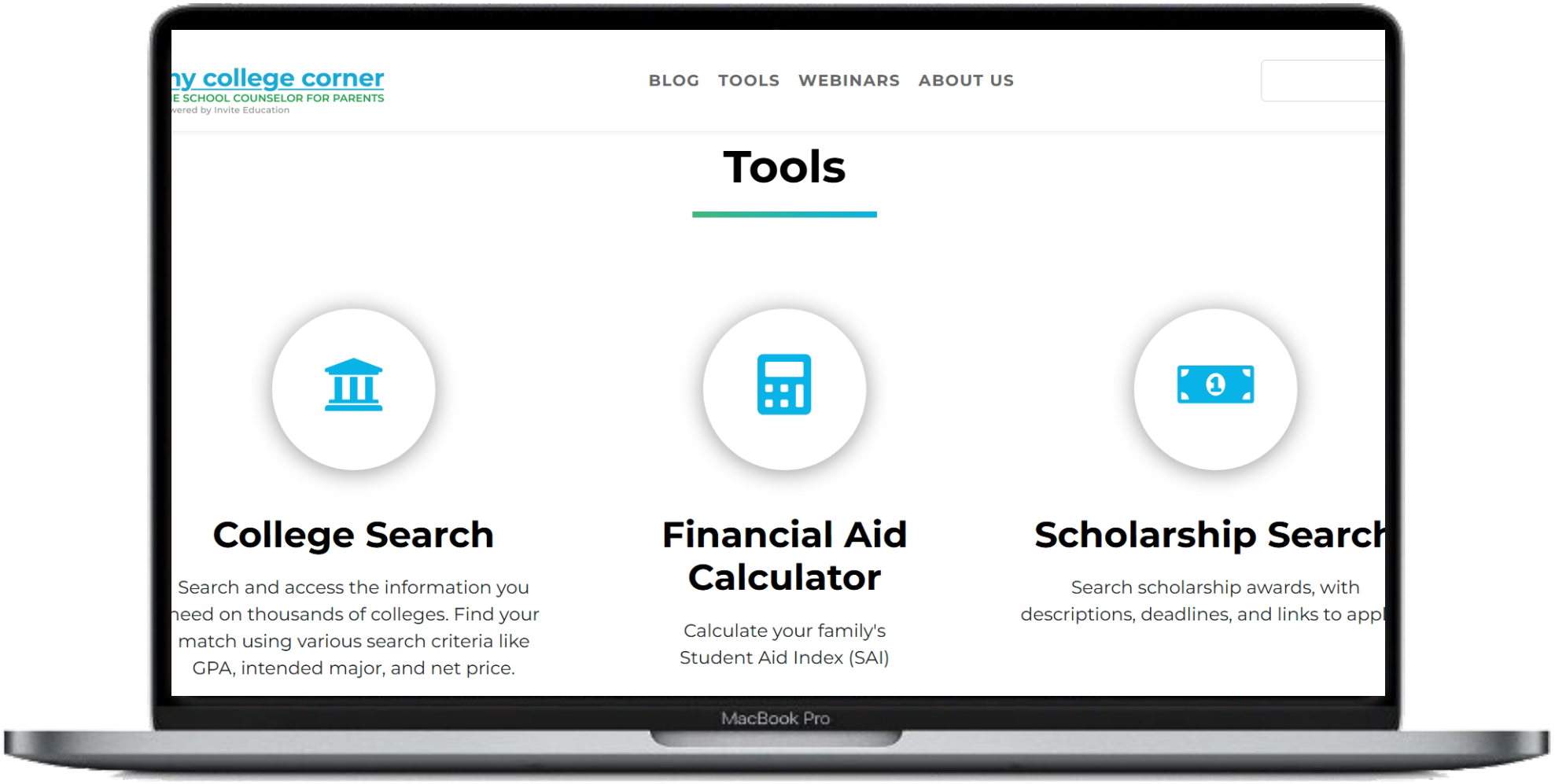
# More Free Resources



# Thank You

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