

Financing Higher Education

The financial decisions made choosing a college and while attending will have a significant impact on the life of a student & family members for many years to come

Federal Application

Submit the Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov

- Collects the family's personal and financial information used to calculate the Expected Family Contribution (EFC)
- Application deadline: after **January 1st**, but before your school's deadline
- Must submit by **March 1st** to be qualified for Rhode Island Grant Program
- Free personal assistance through the College Planning Center of Rhode Island
- Contact: **(401) 736-3170** or go to: www.collegeplanningcenter.org
- File the FAFSA electronically (highly recommended)

Federal Student Aid General Eligibility Requirements

Must be:

- Enrolled or accepted for enrollment in an eligible program of study at a Title IV eligible school
- Pursuing a degree, certificate or other recognized credential
- A U.S. citizen or eligible non-citizen (valid Alien Number)
- Registered with the selective service (if male – required by law- see www.sss.gov)
- Making satisfactory academic progress as defined by the school (important for future years)

Must have a valid Social Security Number

Work Study / Student Employment

- Provides a unique opportunity for exposure to academic disciplines, professors and possible professions
- The Federal Work Study Program
 - Part-time campus jobs for students with financial need
 - Work suited to the participant's skills and course of study
 - A work schedule which may be coordinated with class schedules
- For complete program details go to: www.studentaid.ed.gov

Cost of Attendance

- Tuition and fees
- Room and board
- Books and supplies
- Health insurance
- Personal expenses
- Transportation

Ways to Pay for College

- Apply for financial aid
- Federal, National, and Institution grants
- Local grants
- Scholarships - local and others
- Tuition payment plans
- Savings
- Student's income
- Loans

Financing Higher Education Tips

- Understand your rights and responsibilities
- Borrow wisely and only what is needed – have the school return any refunds to the lender to reduce the amount you owe
- Parents: Compare interest rates, origination fees, repayment term and conditions of the Federal PLUS Loan and Private Education Loans
- Pay attention to deadlines
- Defaulting on a student loan has serious consequences



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RISLA
RHODE ISLAND STUDENT
LOAN AUTHORITY

Money for School

Grants & Scholarships

Why is debt management important?

Project on Student Loan Debt 2012

Rhode Island Public Four Year & Private Non-Profit Four Year Institutions:

Average debt of graduates	\$31,156
Proportion of graduates with debt	69%
National Rank in US	6th highest in US

National Average Public Four Year & Private Non-Profit Four Year Institutions:

Average Debt of graduates	\$29,400
Proportion of graduates with debt	71%

Does not include credit card or any other personal debt.



Grants

Grants are free monetary gifts to people who are pursuing education. Unlike student loans, grants do not require repayment. They can come from the state or federal government, from the college itself, or from private sources.

Federal Grants (two most common)

To qualify for federal student aid

- Submit the Free Application for Federal Student Aid (FAFSA) at www.FAFSA.ed.gov before your school's deadline
- Free personal assistance through the College Planning Center of Rhode Island
 - Contact: **(401)736-3170** or go to: www.cpcri.org to schedule an appointment

Pell Grants

- Limited to undergraduates pursuing a first baccalaureate or professional degree
- Eligibility has a Lifetime Limit based on the length of enrollment and degree
- Aid administrator calculates actual award based on the student's cost of attendance, enrollment status and EFC (Expected Family Contribution)

Supplemental Educational Opportunity Grant

- Awarded first to students with exceptional financial need
- Must be a Pell Grant recipient to qualify
- For complete program details, go to: www.studentaid.ed.gov

The Rhode Island Grant Program

- Provides grants (non-repayable financial assistance) to those students whose family resources are not sufficient to meet the costs of higher education

Eligibility:

- Must file a FAFSA
- Be a US citizen or eligible non-citizen & not already possess a bachelor's degree
- Be enrolled or accepted for enrollment in a program that leads to a degree or certificate
- Attend school on at least a half-time basis
- Be a Rhode Island resident since January 1st prior to the academic year in which the applicant enrolls in school

Application deadline: March 1st

- Award can be used at eligible schools in the United States, Canada and Mexico
- For program details, go to: www.RIHEAA.org

Scholarship Search

Scholarships are given to a student by an individual or group of people to help pay college expenses. They are awarded based upon various criteria, which usually reflect the values and purposes of the donor or founder of the award. Scholarship money is not required to be repaid.

Overview

- A scholarship is “gift aid” which does not require repayment
- Find scholarships that match your personal strengths and qualifications to the award’s decision criteria
- There are thousands of scholarships – schools, employers, individuals, nonprofits and religious groups etc...
- Some are merit based / some are based on financial need
- Where to check? Local library, high school guidance office, organizations, employees, etc.
- Create a list of scholarships you will apply for as you conduct your search. Always be on the look out for more opportunities
- Search local – community scholarships may be easier to win - try using www.rischolarships.org
- Never pay a fee for either in-person assistance or web searches. There are free resources available to you.
- Even a few awards of a small amount will help decrease your overall cost
- Ask everyone and get help from your family to seek sources of funds

Creating a Plan

- Treat the search as a project, to be completed over a period of time and start early
- Spend 30 – 60 minutes – two times a week
- Read and understand the eligibility requirements
- Know the deadline dates and the application details for each one you submit
- Always follow up and be sure to follow through

Process

- Stay organized
- Develop a work calendar and time line so you can visibly see when actions are due
- Follow directions carefully and meet all deadlines
- Develop a set of reusable information / materials
- Plan to deliver each application one week prior to the deadline
- Secure all documents which may contain your SSN
- Make copies of all items in your application

Use an Adversity to Your Advantage

- Turn a weakness into a strength
- Be able to show how you have overcome obstacles
- What good qualities did this experience bring out in you?
- How has the experience made you a better person?

Searching Tips

- Don’t overlook the obvious
- Use personal networks
- Be professional, build relationships
- Essay writing: highlight your personality, interests, activities, volunteer work and why you deserve the money
- If possible study the past winners, what made them successful?
- Use family connections, past achievements and disabilities

Strategy

- The object is to win money
- Brainstorm
 - Compile a list of positive characteristics about you and your family
 - Include all facets of your life
- What makes you unique?
- Search locally
- Apply for all scholarships where you have a competitive advantage
- Do not waste time on scholarships which have criteria you can’t meet

Disclaimer The information contained in this document is not legal, tax or investment advice. It is only a general overview of the subject presented. The Rhode Island Student Loan Authority, a nonprofit state agency, does not provide professional advice on financial, tax or legal matters. You are urged to consult your financial, tax and legal advisors for advice. RISLA does not endorse or promote any commercial supplier, product or service.

Loan Information

Federal Student Loans

Direct Subsidized Loans: For undergraduate students with financial need. The FAFSA calculation will determine the amount you can borrow. You are not charged interest while you are in school and during the grace period.

Direct Unsubsidized Loans: You are not required to demonstrate financial need to receive this loan. The FAFSA calculation will determine the amount you can borrow. Interest accumulates from the time of disbursement.

- As a result of the Bipartisan Student Loan Certainty Act of 2013, rates change annually. Students that borrow Stafford loans over multiple years will have a set of fixed-rate loans, each with a different interest rate.
- The Direct Stafford Loan program requires an origination fee be deducted from each disbursement.

The Maximum Total Debt from Stafford Loans When You Graduate (aggregate loan limits):

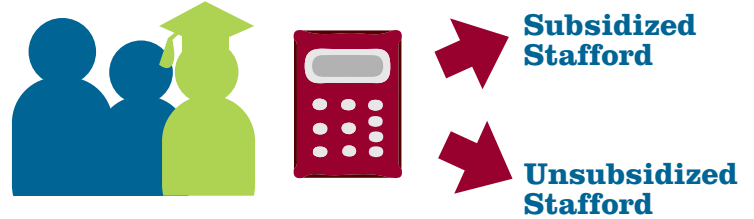
- \$31,000-No more than \$23,000 of this amount may be in subsidized loans.
- For complete program details visit: www.studentaid.ed.gov

Federal Direct PLUS (Parent) Loan

- Parents of dependent students can borrow a Direct PLUS Loan
- The parent must be credit-worthy
- For complete program details visit: www.studentaid.ed.gov

Manage Finances

- Set goals and develop financial discipline
- Create a budget / track spending
- Keep records of expenses – review monthly & adjust behavior
 - Create an education expense file (parents and student)
- Compare costs
- Live a student lifestyle
- Pay cash for purchases
- Pay yourself first
 - Create an emergency fund
 - Establish a saving account
- Pay bills on time, “in full” every month to help build a strong credit history



RISLA State-Based Education Loans

RISLA Student Loan

- For Rhode Island residents – regardless of which state the student attends college
- Student may be full-time, half-time or less than half-time
- Borrowers must pass a credit check, meet other eligibility requirements and typically have a cosigner
- For complete program details, visit: www.risla.com

RISLA Parent Loan

- RISLA’s Parent Loan is for Rhode Island residents – regardless of which state the student attends college
- Student may be matriculating or non-matriculating
- Repayment starts 15 days after final disbursement
- No origination fees
- Standard repayment term is 120 months
- For complete program details visit: www.risla.com

Comparing College Loan Options

- Rates
 - Fixed or variable?
 - If the rate changes, so will your payment
- Fees
 - What are they?
 - How much will they add to your total cost?
- Repayment
 - When do I begin to make my payment?
 - How long is the repayment term?
 - What will be the monthly payment amount?
- Annual Percentage Rate (APR)
 - The APR is the total cost of borrowing
 - Can be used to compare the total cost of one loan to another