

# Financing Your Higher Education.



# Ways to pay for college.

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Welcome to our guide on financing higher education! We are here to help students and parents by providing valuable information to help them make confident and wise financial decisions when investing in higher education.

When paying for college, it is important to explore all available options before turning to student loans. By considering various factors, you can confidently make the best financial decisions.



# Types of Student Aid

## 01 Federal Student Aid Application

- Create a Federal Student Aid Identification (FSA ID) for the student and parent at [studentaid.gov](https://studentaid.gov).
  - Submit the Free Application for Federal Student Aid (FAFSA) at [studentaid.gov](https://studentaid.gov)
  - Collect your family's personal and financial information to calculate the Student Aid Index (SAI).
  - Complete the FAFSA starting October 1st, before your school's deadline.
  - Create a CSS Profile in addition to the FAFSA if required by a school of interest.
  - Make sure to review the requirements and deadlines for each school's application.
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## 02 Federal Student Aid General Eligibility Requirements

- Demonstrate financial need (for most programs)
  - Be a U.S. citizen or an eligible non-citizen.
  - Have a valid social security number (SSN).
  - Be enrolled or accepted for enrollment as a regular student in an eligible degree or certificate program.
  - Be enrolled at least half-time for Direct Loan Program funds.
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## 03 Work Study & Student Employment Opportunities

Work-Study offers a distinctive chance to explore various academic disciplines, interact with professors, and consider potential career paths. For complete program details, go to [studentaid.gov](https://studentaid.gov).

### The Federal Work-Study Program offers

- Part-time campus jobs for students with financial need.
- Work suited to the participant's skills and course of study.
- A work schedule that can be coordinated with class schedules.

# What to Consider when considering higher education.

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### Cost of Attendance

- Tuition and Fees
- Food & Housing
- Books & Supplies
- Health Insurance
- Personal Expenses
- Transportation
- Loan Fees
- Study Abroad Costs
- Dependent Care & Disability Expenses
- Cooperative Education Program Costs



### Ways to Pay for College

- Apply for financial aid
- Federal, national, institutional, and local grants
- Scholarships – local and others
- Tuition payment plans
- Savings
- Student's and parents' income
- Federal and/or Private 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 should compare Annual Percentage Rates (APR), origination fees, repayment terms, and conditions of all federal and private education loans.
- Pay attention to deadlines.
- Be aware that defaulting on a student loan has serious consequences.
- Contact the Financial Aid Office if you withdraw from school.

# Money for School

## Debt Management: Why is it important?

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

- Average Debt of Graduates \$36,791
- Proportion of Graduates with Debt 64%
- National Rank in US 4th highest in US

Source: Project on Student Loan Debt 2020

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

- Average Debt Range of Graduates \$18,350 – \$39,950
- Proportion of Graduates with Debt Range 39% – 73%

Does not include credit card or any other personal debt. Source: Institute for College Access and Success

## Tuition Free College for Students

### CCRI | Rhode Island Promise

- Community College of Rhode Island is now free to all Rhode Islanders coming right out of high school. [Apply](#) today to pursue your associate degrees at CCRI tuition-free! [Learn more](#).

### RIC | Hope Scholarship

- The Rhode Island College Hope Scholarship is a pilot program that provides last-dollar tuition and mandatory fee payments to in-state students at Rhode Island College for their junior and senior years, if they are in good academic standing. [Learn More](#)

## Grants

- Grants are free financial aid for students pursuing higher education. Unlike student loans, they do not require repayment.
- Grants can be obtained from the state or federal government, colleges, or private sources.

## Federal Grants

### Pell Grant

- For students who are pursuing their first bachelor's degree or a professional degree.
- Eligibility is subject to a lifetime limit based on the length of enrollment and the type of degree earned.
- Aid administrator calculates actual award based on the student's SAI
- Eligibility has a lifetime limit of 12 semesters

### Supplemental Educational Opportunity Grant

- Awarded first to students with exceptional financial need
- Must be a Pell Grant recipient to qualify

# Scholarship Search



Scholarships are awarded to students to help with college expenses. They reflect the values of the donor or founder and do not need to be repaid.

## Quick Tips

- A scholarship is considered "gift aid" and does not need to be repaid.
- Align scholarships with personal strengths and qualifications based on the award's criteria.
- Schools, employers, individuals, non-profits, religious groups, etc. offer scholarships.
- Some scholarships are merit-based and others are based on financial need.
- Create a list of scholarships to apply for and keep looking for more opportunities.
- Consider looking for local community scholarships as they may be easier to win. Check out [rischolarships.org](http://rischolarships.org) for free local scholarships.
- Never pay a fee for in-person assistance or web searches; free resources are available to you.
- Seeking even small awards can help lower your overall expenses.

## Planning

- Complete FAFSA for financial aid.
- Determine cost of attendance of college
- Carefully read eligibility requirements.
- Evaluate financial savings, earnings, financial aid, and scholarships.
- Dedicate time to scholarships weekly.
- Create a list of talents, accomplishments, awards, and letters of recommendations.

## Applying

- Carefully read eligibility requirements.
- Follow instructions.
- Write a well written essay.
- Make copies of application and documents.
- Know the deadline dates and the application requirements ahead of time!
- Apply early!
- Watch for scams. Read the fine print.

## Searching

- Start searching early and often.
- Use legitimate scholarship search websites.
- Never pay for scholarships.
- Ask school counselors for scholarship resources.
- Use your characteristics, career goals and talent to search for scholarships.
- Search for local scholarships

## Tracking

- Note all requirements
- List eligibility requirements
- Send a thank you note to donor.
- Track incomplete, complete and deadlines for each application.
- Keeps track of awards amounts it may impact your financial aid. Check with college Financial Aid Office.



# Loan Information for student loan applications.

## Federal Student Loans

### Direct Subsidized Loans

are available for undergraduate students with financial need. Your school will assess your completed FAFSA and determine the amount you can borrow. You will not be charged interest while you are in school at least half-time, during grace periods, and during deferment periods. There may be a limit to the maximum eligibility period for the subsidy.

### Direct Unsubsidized Loans

do not require demonstrated financial need to receive a loan. Similar to subsidized loans, the amount you can borrow is determined by your school. Interest starts accumulating on an unsubsidized loan from the time it's first paid out. During your time in school, grace periods, and deferment or forbearance periods, you have the option to pay the interest. If you choose not to pay the interest as it accrues, it will be added to the principal amount of your loan (capitalized), and you will eventually have to pay interest on the amount borrowed.

## Private Student Loans

- Private loans are non-federal loans from a lender such as a bank, non-profit State agency, credit union, or school.
- Private loans require complete underwriting, including a review of credit, income, and cash flow to ensure the ability to make payments and cover expenses.
- Private loans are available with fixed or variable interest rates and immediate or deferred repayments.
- Most private loans need a cosigner with good credit. The cosigner is equally responsible for repaying the debt.
- Private loan rates often have tiered pricing, meaning families with higher credit ratings receive lower interest rates than those with lower credit. Not all borrowers get the lowest rate, so find the lender with the lowest interest rate for you.
- Private loans often have different benefits than federal loans. Compare benefits when you compare APRs to find the right lender for you.

### Federal Student Loans

- Federal government loan programs that offer subsidized and unsubsidized levels.
- Subject to per year and person maximum amounts.
- Not subject to credit approval, has origination fees.
- New fixed interest rates apply to new loans, annually.

### Federal Direct PLUS (Parent) Loans

- Credit-based loan that allows graduate or undergraduate students, and parents to borrow remaining unmet need by other financial aid programs.
- Subject to higher interest rates, fees, and fewer repayment options.

# College Loans

## Comparing your options

### Rates

- Is the rate fixed or variable? (If the rate changes, so will your monthly payment)
- Is the rate I receive based on credit? What is the Annual Percentage Rate (APR) that I can compare to other lenders?

### Repayment

- When do I need to begin making payments?
- What is my required monthly payment going to be?
- For how long do I need to continue to make payments?

### Fees

- What are they? Can they be waived?
- How much are they? How much will they add to total cost?



## When to consider RISLA

Simplify your student loan journey with RISLA! Benefit from our low fixed rates, extra benefits, and flexible financing, available nationwide for both students and parents. Our fast and simple application process will kickstart your education journey!

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## OFFERED NATIONWIDE STUDENT LOANS



### LOW INTEREST RATES

As a non-profit State agency, RISLA consistently offers some of the lowest rates nationwide.



### UP TO 100% COSTS COVERED

This can include school-certified costs such as tuition, housing, books, and more. Annual and aggregate loan limits apply.



### BORROWER PROTECTIONS

Our borrower protections go above and beyond what most private lenders offer, including Income-Based Repayment.



### NO FEES

No application fees, origination fees, late fees, or insufficient funds fees.



800-758-7562 | CALL TODAY

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 non-profit 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.



@ristudentloans

# Contact Information

## RISLA

Student Loans & Refinancing



[risla.com](https://risla.com)

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## College Planning Center

Free Resource to prepare, plan, and pay for college



[collegeplanningcenter.org](https://collegeplanningcenter.org)

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## Scholarship Hub

Scholarship opportunities to help parents and students



[rislascholarshiphub.org](https://rislascholarshiphub.org)

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