

Financing Higher Education:

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



Federal Application

- Create a Federal Student Aid Identification (FSA ID) for both student and parent at fsaid.ed.gov
- Submit the Free Application for Federal Student Aid (FAFSA) at fafsa.ed.gov
- Collect your family's personal and financial information for use in calculating the Expected Family Contribution (EFC)
- Complete the FAFSA starting October 1st, but before your school's deadline
- Check information from each school to determine required application materials and deadlines

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 registered with Selective Service (you must register between the ages of 18 and 25)
- 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
- Maintain satisfactory academic progress in college or career school
- Sign the certification statement on the FAFSA
- Show you're qualified to obtain a college or career school education

Work Study / Student Employment

- Provides a unique opportunity for exposure to academic disciplines, professors, and possible professions
- 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 which may be coordinate with class schedules
- For complete program details go to studentaid.ed.gov

Cost of Attendance

- Tuition and fees
- Room and board
- Books and school-related supplies
- Health insurance
- Personal expenses
- Transportation
- Loan fees
- Study abroad costs
- Dependent care and 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
- Cooperative programs
- 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 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
- If you decide to withdraw from school, contact the Financial Aid Office



RISLA
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Money for School

Why is Debt Management Important?

Project on Student Loan Debt 2018

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

Average Debt of Graduates	\$36,036
Proportion of Graduates with Debt	63%
National Rank in US	6th highest in US

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

Average Debt of Graduates	\$29,200
Proportion of Graduates with Debt	65%

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



Grants

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

Federal Grants (two most common)

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
- 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
- Complete program details can be found at studentaid.ed.gov

Rhode Island Promise at CCRI

Who is Eligible for Rhode Island Promise?

- Rhode Island residents
- 2019 High school graduates (public, private, or home-schooled)
- GED recipients who were younger than 19 years old when the GED was completed
- Visit ccri.edu/ripromise

Application Process

- Apply to CCRI
- Fill out the FAFSA and complete your financial aid file
- Submit your official high school or GED transcript
- Fill out the Rhode Island Promise attestation form

How do I Maintain the Scholarship for Two Years?

- Enroll full time (15 credits strongly encouraged)
- Maintain at least a 2.5 GPA
- Earn 30 credits each year
- Enroll each semester for two years

Scholarship Search

Scholarships are given to a student by an individual or organization 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, non-profits, religious groups, etc.
- Some are merit-based / some are based on financial need
- Where to check? Local library, high school counselor’s 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 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 timeline 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

Loan Information



Private Education Loans

- There are many different private loan options for credit-worthy students and families. It is important that borrowers understand the options available to them.
- Many lenders offer loans for parents with terms that may be more favorable than a Federal Direct PLUS Loan.
- Private loans can be a good option for parents and graduate students.
- Private loans are non-federal loans made by a lender such as a bank, non-profit state agency, credit union, or school.
- Private loans require a full underwriting process. During this process lenders look for good credit, minimum income requirement, and sufficient cash flow to make loan payments along with other expenses.
- Private loans are available with fixed or variable interest rates, and immediate or deferred repayments.
- Most private loans will require a cosigner with good credit. A cosigner is equally responsible for repaying the debt.
- Many private loan rates have tiered pricing. Tiered pricing means that families with higher credit ratings will receive a lower interest rate than those with lower credit ratings.
- Private loans may have fewer deferment, forbearance, and/or repayment options than federal loans.

RISLA Education Loans

RISLA Student Loan

- All RISLA loans are fixed rate and credit-based with some additional requirements such as income, debt-to-income, and liquidity requirements to be eligible
- There are no application, origination, or upfront fees
- Other additional repayment and loan forgiveness benefits are also included.

Federal Student Loans

Direct Subsidized Loans: For undergraduate students with financial need. Your school will review the results of your completed FAFSA and determine the amount you can borrow. You are not charged interest while you're in school at least half-time, during grace periods, and during deferment periods. Subsidy maximum eligibility period limit may apply.

Direct Unsubsidized Loans: Do not require demonstrated financial need to receive a loan. Like subsidized loans, your school will determine the amount you can borrow. Interest accrues (accumulates) on an unsubsidized loan from the time it's first paid out. If you choose to, you can pay the interest while you are in school, during grace periods, and during deferment, or forbearance periods. You can also choose not to pay, which allows the interest to accrue and be capitalized (that is, added to the principal amount of your loan) when the deferment/grace period ends. If you choose not to pay the interest as it accrues, you will eventually be required to pay interest on that interest, as capitalized interest is added to the principal amount.

Federal Student Loans

- The most popular government loan program as they are offered on both a subsidized and unsubsidized level
- Subject to per year and per person maximum amounts
- Not subject to credit approval, has origination fees
- Annually, new fixed interest rates apply to new loans

Federal Direct PLUS (Parent) Loans

- Credit-based loan designed to allow graduate students or undergraduate parents to borrow whatever amount remains unmet by other financial aid programs
- Subject to higher interest rates, origination fees, and fewer repayment options
- More info on all federal loans at studentaid.ed.gov

Comparing College Loan 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?

Fees

- What are they? Will they repeat?
- How much are they? How much will they add to total cost?

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?