

Parent Guide to Financial Aid: 10 Ways to Pay for College

Paying for Your Child's College Education

Congratulations Take Stock in Children Parents! Your son or daughter has been selected to receive a college tuition scholarship from Take Stock in Children, but that's not all we can do to help your family. We've designed this **Parent Guide to Financial Aid** to show you how to locate even more money for your child's college education. **The Parent Guide is a mini-course in financial aid that will be of great benefit to every parent of a Take Stock in Children scholar.**

College Costs Can Be An Obstacle. As a Take Stock in Children scholar, your child will receive a college or vocational-technical tuition scholarship, but this scholarship will not cover the other costs of college—books, fees, housing, etc. Yes, these expenses can be high, but **they don't have to prevent your child from attending college.** The Parent Guide to Financial Aid can be very important for your child's future because it outlines **ten practical things you can do to find more money for his or her college education.**

How You Can Help Your Child. First of all, we would like you to read through each of the ten sections of our Guide. This shouldn't take much time and it will be well worth the effort. Then we recommend you do the following things:

- 1. Form a Partnership with Your Child.** Here's a good way to start: Form a partnership with your child. Sound crazy? Not really. Think about it. You and your child have already signed a contract with Take Stock in Children agreeing to do what is necessary to earn a scholarship. Why not agree to work together to get more money for college? **Cooperation will make it much easier to formulate a good plan and work toward a common goal.**
- 2. Start Early.** "My child is only in the sixth grade. Why should I worry about paying for college now?" The great thing about planning for the future is that the earlier you start, the better prepared you'll be! There are many things that you can do now to help your child later. Here's another thing to think about: If you wait too long, will you still have the same options that you have now? The answer is **NO**. **The point is that it's never too early to start planning to pay for college.**
- 3. Formulate a Concrete Plan.** After you have finished the course, sit down with your child and come up with a *plan* to make the best use of this financial aid information. This course will give you many valuable ideas and link you to practical resources, but it is very important that you and your child formulate a plan for the future to make the best use of them. Make sure that you look at the planning tools at the end of the course. They will focus you and make your planning much easier.
- 4. Start Preparing Now.** Imagine that your child's college money is behind a locked door. This money is free, but you need a key to unlock the door. The key to the door of financial aid is information. The first thing you need to realize about college financial aid is that knowledge is power. The more you and your child know about grants, scholarships, and how they are awarded, the better prepared you will be.

Preparation is therefore very, very important! **Far too often, students fail to get grants and scholarships because they do not apply in time or are not aware of the awards for which they are eligible.** This course has been designed to make sure that you don't let this happen to your child!

5. **Keep a File.** What's the next thing that you and your child need to do to get started? That's easy: Keep a file. Try to find a large file and then put some manila folders in it to store your information. Another good idea is to maintain a record of all the information you have gathered. Keeping all your materials in one place makes them easier to access and prevents them from being lost or misplaced. There's no point in collecting information if it is not available when you need it! To put this in perspective, think about how you keep all your car information in one place. Isn't your child's future as important as your car's maintenance? **Use this course to help you gather the information you'll need and then keep all this information in one place!**
6. **Stay on Track.** Each year you and your child should sit down together and evaluate the goals of your child's financial aid plan to see if they are still valid. Remember that planning is a continuous process. You should also consult the financial aid calendar often to avoid missing deadlines. **It is important to be aware of important deadlines during your child's junior and senior years.**
7. **Consider College an Investment.** If there is one message you want to reinforce to your child, it is that paying for college is an investment. Here is some information to share with your child:
 - Did you know that, according to U.S. Census Bureau statistics, people with bachelors' degrees earn over **80 percent more** on average than those with only a high school diploma?
 - Over a lifetime, the gap in earning potential between a high school diploma and a B.A. (or higher) is more than **\$1,000,000**.
 - Point this out to your child and emphasize the fact that the time you spend together on planning will pay off in the long run.

How to Get Started. Before you begin reading about the ten ways to pay for college, you should read our [Financial Aid Overview](#). This will give you some valuable information about the sources and types of financial aid as well as the process of determining the amount of financial aid your child will receive.

FINANCIAL AID OVERVIEW

What is Financial Aid? There are two basic kinds of financial aid: need-based and merit-based.

Need-based assistance is determined by a student's financial need.

Merit-based aid is given to students for their academic performance or special talents.

Students can look for both need-based and merit-based types of assistance to pay for college.

Parents and students should know all about both types of financial aid in order to take advantage of all their opportunities.

This course will show you how to recognize these opportunities!

Why Financial Aid is so Important for Your Child? You might think that financial assistance is only given to a small number of students attending college, but that is not the case:

Did you know that most students must obtain some type of financial assistance to go to college?

Did you know that there are types of financial aid that don't have to be repaid?

Did you know that many students rely upon a combination of several types of financial aid to pay for their college expenses?

What Type of Financial Aid is Most Important? Your planning should focus on the types of financial aid that do not have to be repaid. Below you will see a list of the types of financial aid; pay special attention to those that do not require repayment:

- 1. Grants.** Grants are literally free gifts of money--students do not have to pay them back. Grant aid comes from federal and state governments and from individual colleges. Grant awards are usually based on need, but some grants are merit-based; this means that students must meet certain performance criteria to earn them. Grant awards can be substantial. Federal Pell Grants were given to just under 3.8 million students for the school year of 1998-1999; the largest award that year was \$3,000.

Every Take Stock in Children student should apply for federal grants.

This course will tell you how and when to apply for these grants in order to get the maximum amount of money for your child.

- 2. Scholarships.** Like grants, scholarships are financial awards that don't have to be repaid. Students must, however, meet and maintain certain eligibility requirements to earn and retain their scholarships. Scholarships can be both need-based and merit-based. There are literally thousands of local, state, and national scholarships available to students.

This course will show you how to locate these scholarships.

- 3. Work-Study.** Federal work-study programs allow colleges to give eligible students part-time jobs to help them pay for their college expenses. Many schools

help students find on- or off-campus jobs connected to their majors. Work-study offers students valuable, career-related experience while in school in addition to a steady source of income.

This course will tell you how much work-study your child should expect to receive.

- 4. Student Loans.** Schools may also offer students low-interest federal loan opportunities. It is important to understand all about student loans because your child will have to repay this money within a set time period.

This course provides you with a complete description of how student loans work.

Sources of Financial Aid. There are several sources of financial aid:

- 1. Federal Government.**

About 70% of all student aid comes from the federal government, in the form of grants and loans.

You can apply for federal money by completing and submitting a **FAFSA (Free Application for Federal Student Aid)** form.

This course will tell you when to apply in order to get the maximum amount of money for your child.

- 2. State Government.**

States offer many excellent financial aid programs—grants, loans, and scholarships.

Florida has a number of financial aid programs available to residents.

To find out more about these programs, you can visit this website:

<http://www.firn.edu/doe/bin00065/splist.htm>.

One of the best programs is **Florida Bright Futures**.

Visit this website to learn more about Florida Bright Futures Scholarships:

<http://www.firn.edu/doe/brfutures/2002facts.htm>.

Our course will provide you with a detailed information about Bright Futures Scholarships to help you with your planning.

- 3. National Scholarships.**

There are many national scholarships available to students.

Students must meet eligibility requirements and submit an application prior to the deadline to be considered.

Students should search for scholarships during their junior years to be able to locate those for which they are qualified.

Students should record deadlines for applying for scholarships.

Competition for these scholarships can be intense.

This course will provide you with easy-to-use scholarship search engines to enable you and your child to look for scholarship opportunities.

- 4. Private Sources.**

There are many scholarships available to students in their local communities. Civic, religious, business, fraternal, and professional groups regularly provide local students with financial assistance.

Once again, the key is to locate these sources. (This course will show you how.)

This course will show you how to find information about local scholarships.

5. Colleges and Universities.

- 1) Colleges and universities participate in federal aid programs.
- 2) They also offer their own institutional financial aid programs to help students.
- 3) Students can usually apply for this institutional aid at the same time as they apply for federal financial aid; however, many schools have their own forms and deadlines.

This course will tell you how to find out about these types of institutional aid.

The Financial Aid Process. There are really two financial aid processes: applying for scholarships and applying for federal financial aid. Every scholarship has its own set of procedures, deadlines, and eligibility criteria. **That's why you and your child should search for scholarships prior to his or her senior year; this will help you understand this part of the financial aid process.**

Applying for federal financial aid, however, is a completely different process. Here is a brief summary of what happens when your child applies for federal financial aid:

- 1) **Application**--The first week in January of your child's senior year!
- 2) **Processing**--Federal government processes and determines your Expected Family Contribution; this is the amount you will be expected to pay toward your child's college expenses.
- 3) **Reporting**--The government sends this amount to you and to colleges that your child has selected; the colleges then use it to determine your child's **Financial Need**—the amount of money needed to attend that particular school.
- 4) **Evaluation**--The school then examines the student's college application and decides what type of financial aid package to offer the student.
- 5) **Student Award**--Colleges send students award letters offering them financial aid packages.
- 6) **Decision**--Students then must accept or decline the financial aid package.

This course will help you understand and prepare for each step of this process.

Conclusion: Keep Your Options Open.

If there is one message to take from this overview of financial aid, it is to be prepared in order to recognize all of your child's opportunities for financial aid.

A school may seem to be too expensive for your child, but don't rule it out simply because of cost.

Remember, financial need increases in proportion to the increases in college costs.

This means that expensive schools may offer financial aid packages that make them as affordable as less expensive ones.

You also may think that you will not find the extra money to pay for college, but you will be surprised to learn how much money you can find or save, if you plan and prepare!

Now it's time to learn about the 10 ways you can get more money for your child's education.

ALL ABOUT THE TEN WAYS

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When you and your child sit down to formulate a plan to pay for college, think about these three questions:

- What do we need to do?
- How do we do it?
- When do we need to do it?

When you and your child can answer these three questions for each of the ten activities listed below, then you'll have an effective plan! Make sure you read about each of these activities before you and your child make final decisions.

1. **APPLYING FOR FEDERAL GRANTS** This section is very important. Take Stock in Children students should apply for federal grants in their senior years in order to qualify for Pell Grant money and other federal financial assistance. Be sure you and your child look over this information carefully.
2. **APPLYING FOR FLORIDA SCHOLARSHIPS** Here you'll find basic information about financial aid programs offered to Florida residents. With one application, you can be considered for more than 20 Florida financial aid programs, including the Bright Futures Scholarships.
3. **EARNING MERIT-BASED SCHOLARSHIPS** Learning about merit-based scholarships can help students and parents focus on performance goals and personal accomplishments. Students with good grades or special talents can be rewarded—if they apply! This page will help you and your child look for scholarships and help you decide how much time and effort to spend in searching for scholarships.
4. **LOCATING NEED-BASED SCHOLARSHIPS** Many scholarships are need-based. This means that schools award money to deserving students who have financial needs. These scholarships are intended to help deserving students who would otherwise not be able to afford college. This section will show you and your child how to find out more information about these awards.
5. **SEARCHING FOR LOCAL SCHOLARSHIPS** Local scholarships are a great, often untapped, resource. This section contains specific instructions about searching for scholarships in your community. The key to success here is to know how to find these opportunities.
6. **PART-TIME JOBS: PROS AND CONS** Many teens want to get a part-time job while in high school or college in order to pay for their expenses. A part-time job can help students pay the bills, but there can be drawbacks to part-time work. Students who work long hours at a job may not have the energy to do their best in school. This section will help you discuss the pros and cons of a part-time job with your child.

7. **EASY WAYS TO SAVE FOR COLLEGE** Having a college savings plan can help your child in a number of ways. This section shares offers a few good suggestions for starting a college savings plan.
8. **GETTING WORK-STUDY MONEY** Work-study can benefit your child in a number of ways. First of all, it helps pay for college; it also gives students valuable work experience and exposes them to career opportunities. The goal of this section is to make certain that your child looks upon work-study for what it is—a great way to pay for college and gain valuable work experience. Also included in this section are tips for getting jobs that allow your child to study while he or she works!
9. **CUTTING COSTS** This section will show you how to cut costs—before and while your child is in college. These are very simple ideas, but for some reason, many parents overlook them. Brainstorming with your child about cutting costs can be both fun and productive. It gives young people a feeling of control over their planning. Remember that cutting costs means that your child will have more money for college.
10. **ALL ABOUT STUDENT LOANS** The final section contains a brief discussion about loans—especially student loans. Your child’s college may offer him or her a federal student loan as part of a financial aid offer. Make sure you use the information in this section to explain to your child about interest payments and the repayment schedule of a loan. Information about loans from private lenders will also be included. **Parents should consider borrowing money from private lenders only after exhausting all other sources of funding.**

Completing the Course. The purpose of this mini-course is to help you and your child formulate an effective plan to pay for college using as many of these ten options as possible. After you read through the Parent Guide, you can also visit our **Parent Library** to find more information on financial aid and preparing for college. When you have finished reading over all our materials, try to meet with your child and start your planning.

Now it’s time to get started. To learn about federal financial aid opportunities for your child, go to the first section: **APPLYING FOR FEDERAL GRANTS.**

1. APPLYING FOR FEDERAL GRANTS

The Importance of Federal Grants. This section will show you how to gather the information required to apply for federal financial aid: **grants, federal loans, and federal work-study**. The good news is that you can apply for all of them using just one form: the **FAFSA** (Free Application for Student Aid).

Every college-bound student should apply for federal grants. This is especially important for parents of a Take Stock in Children scholar because:

**this money is a necessary addition to a college tuition scholarship;
your son or daughter won't have to pay the money back.**

Your child will receive a college tuition scholarship from Take Stock in Children, but he or she should also apply for a **Federal Pell Grant** and a **Federal Supplemental Educational Opportunity Grant**. These grants are awarded to students on the basis of financial need and can amount to as much as \$4,000 per year.

The **Florida Student Assistance Grant** is Florida's largest need-based grant program. Students can apply for it at the same time they apply for federal grants—by filling out the FAFSA. Award amounts vary from \$200--\$1,300.

How to Apply for Federal Financial Aid

To be considered for federal grants and loans, your child only have to complete and submit one form: the FAFSA.

The application information will be used to determine his or her **Expected Family Contribution** and **Financial Need**.

Colleges will use this information to offer students individual **financial aid packages**.

Financial aid packages vary depending upon the availability of funds, the costs of a particular college, and your financial need.

Here's the key point to remember: **By being prepared and applying early, your child will be more likely to receive a better financial aid package from a college.**

The longer a student waits to apply, the less total money may be available.

Applying late may negatively affect your child's chances to attend college!

About one out of every three FAFSA applications is selected for a process known as "verification."

If you are selected, you may be asked to provide copies of documents to validate the FAFSA information.

Tip: Make certain that you **keep all your records in a file**.

When to Apply for Federal Financial Aid

Your child should submit a FAFSA during the first week of his or her senior year. THIS IS VERY, VERY IMPORTANT!

Why is this date so important? **Federal aid is awarded on a first-come, first-served basis.**

This means that colleges will be more likely to offer early applicants **more grant money** (than that offered to later applicants)!

Applying early is the key to getting the best possible financial aid package.

How to Apply

To be considered for federal grants and other types of federal financial aid, students must complete and submit a **Free Application for Federal Student Aid (FAFSA)**.

There are **two ways to apply**: Students can apply for federal financial aid by completing and mailing a paper copy of the FAFSA or apply electronically using FAFSA on the Web.

Applying by Mail

Pick up a copy of the FAFSA from the school guidance office in September of your child's senior year.

Read over the directions carefully.

Ask the guidance counselor for help if there are things you don't understand about the FAFSA.

Gather the necessary information and mail the completed form in the first or second week of January of your child's senior year.

Applying Online

There are many advantages to applying on-line—it's quicker, easier, and more convenient.

Go to the *FAFSA on the Web* site (www.fafsa.ed.gov).

Download an application form in September of your child's senior year.

Read over all the sections carefully.

Apply electronically early in January of your child's senior year.

Tip: Applying electronically means that your child's application will be processed as much as two weeks faster than a mailed copy.

How to Find More Information on Federal Financial Aid

The best source of information on federal financial aid for students is contained in *The Student Guide*.

You can pick up a copy at most guidance offices or download a free copy at: www.ed.gov/prog_info/SFA/StudentGuide.

If you want general information about applying for federal financial aid, visit this site: <http://www.fafsa.ed.gov/before014.htm>

It will provide you with a lot of good practical information that can take the worry and hassle out of the application process.

How to Get Your Questions Answered

If you have further questions, you can call **1-800-433-3243**.

Counselors will be able to help you with any issue related to federal financial aid.

After You Apply

After your child submits a FAFSA, the following things will happen:

- 1) Your child's FAFSA is processed by the federal government to determine:
 - His or her **Expected Family Contribution (EFC)**
 - The EFC is the amount that the family is expected to contribute toward the cost of attending college
 - The amount of the EFC is determined by the federal government (using a standard formula) based on the information your child provides on the FAFSA
 - The EFC **will not vary**; the amount is the same whether your child attends an expensive or inexpensive school
- 2) You will receive a **Student Aid Report (SAR)** from the government:
 - The SAR contains information about the application, your child's EFC, and the number used in determining your child's eligibility for federal student aid
 - The EFC amount will be sent to all colleges selected by your child on the FAFSA
- 3) These colleges will receive the FAFSA information directly from the government:
 - Financial aid administrators at each of these colleges will subtract the EFC (the amount a family is expected to contribute) from the total cost of attending their particular schools
 - The difference between your EFC and the total cost of college is called your child's **Financial Need**
 - **Financial need will vary from college to college based on the differences in the cost of attending**
 - **Financial need at an expensive school will be higher than that at an inexpensive one**
- 4) Financial aid administrators will then review your child's college application materials and financial need:
 - Schools will prepare a **Financial Aid Offer** specifically for your child
 - This offer will be sent to your child in the form of an **Award Letter**
- 5) The final step is to accept or decline the offer:
 - Students should notify schools as soon as they have made a decision
 - Students who take too long to notify a school may not receive the full amount of the original offer

How Financial Aid Offers are Determined

The diagram below illustrates typical college costs and how your financial need is determined.

These expenses are examples, but they will give you a pretty good idea of how colleges will determine your child's financial aid package.

This diagram clearly demonstrates the importance of your child's EFC in determining his or her financial aid package.

Cost	Low	Medium	High
Tuition	\$4,000	\$11,500	\$19,000
Fees	\$300	\$400	\$500
Books/Supplies	\$700	\$800	\$1,000
Room/Board	\$4,500	\$6,000	\$7,500
Transportation	\$500	\$800	\$1,000
Personal	\$1,000	\$1,500	\$2,000
Totals	\$11,000	\$21,000	\$31,000
College Cost	\$11,000	\$21,000	\$31,000
Minus Your EFC (Subtract from Cost)	-- <u>EFC</u>	-- <u>EFC</u>	-- <u>EFC</u>
Equals Your Gross Financial Need	=Your Gross Financial Need	=Your Gross Financial Need	=Your Gross Financial Need

The financial information entered on the FAFSA determines your child's **Expected Family Contribution**. The EFC is then subtracted from the total **Cost of Attendance** of the schools your child has selected. The remainder is your **Financial Need**. The financial aid office then puts together an aid package that addresses the need.

College Cost	\$9,000
<u>EFC</u>	-3,500
Need—One Year	\$5,500
Grant	\$2,000
Scholarship	\$2,000
Work Study	\$1,000
<u>Loan</u>	\$ 500
Financial Aid	\$5,500

How to Get More Information

If you want to get more detailed information about this process, visit this site:

<http://www.collegeboard.com/article/0,1120,6-29-0-401,00.html>.

You can also visit this site to use a financial aid calculator to estimate your child's EFC: <http://www.collegeboard.com/article/0,1120,6-29-0-401,00.html?orig=sec>.

The College Board website also offers calculators that enable you to evaluate student loans and estimate college costs.

How to Prepare

If your child is in high school, read over this section again carefully.

Visit the websites listed in this section (especially *FAFSA on the Web*).

Download key information and place it in a file.

Obtain a copy of the FAFSA and review it carefully.

Make a list of the required information.

Be ready to gather the required information prior to the month of January of your child's senior year.

The key thing to remember is that January is the month to submit a FAFSA.

What to Do Next

As you can see, applying for federal grants is probably the most important of all the ten ways to pay for your child's college education because this is money that your child has a

good chance of receiving, if he or she applies in a timely manner. But you don't want to stop here. You and your child should also consider [**Applying for Florida Scholarships**](#) as another possible way to pay for college.

2. APPLYING FOR FLORIDA SCHOLARSHIPS

Learn About Florida Scholarships. This section will help you learn about the second way to pay for your child's college expenses: Earning a Florida scholarship. Florida residents are eligible for a number of financial aid programs. To obtain information about specific programs, visit this site: <http://www.firn.edu/doe/bin00065/splist.htm>. There is one program, however, that merits special attention: the **Florida Bright Futures Scholarship Program**.

The Importance of Bright Futures Scholarships

Florida has a great scholarship program called Bright Futures that can provide your child with additional college funds.

You can apply for Bright Futures and all other Florida scholarships by filling out and submitting just one form.

This page will show you how to do this, but it is important that you read over the eligibility requirements for Bright Futures Scholarships.

Why are these requirements so important? Because they serve as **excellent goals** for your child: what GPA to shoot for, what courses to take, etc.

The Keys to Earning a Bright Futures Scholarship

If your child wants to try for a Bright Futures Scholarship, he or she should know the right courses to take in order to qualify:

- Beginning with 2002 high school graduates, Florida Academic and Florida Merit Scholars award recipients (this does not apply to Gold Seal Vocational Scholars) who will attend state universities or community colleges must make at least five acceleration attempts at earning college credit.
- This means that they must take **accelerated courses** while in high school.
- Courses must be chosen from the following academic areas: English, Humanities, mathematics, natural sciences, and social sciences.
- They must be completed: before registration for the first semester college courses, and not later than registration for the second semester.
- **If your child is shooting for a Bright Futures Scholarship, make certain he or she talks with a counselor about taking the necessary courses!**

As you can see, it is very important to start planning to take the right courses ahead of time in order to maximize your child's chances of receiving a Bright Futures Scholarship.

Another key to earning a Bright Futures Scholarship is a student's **grades**.

- A 3.5 GPA is necessary for an Academic Scholars Award.
- A 3.0 GPA is necessary for the Gold Seal and Merit Scholars Awards.

SAT score is the third key: each award has a minimum score as a standard.

Requirements for the Three Bright Futures Scholarships

Florida Academic Scholars Award

There are three Bright Futures Scholarships available to Florida students.
The first is the Florida Academic Scholars Award.
Here is a list of the eligibility requirements for this award:

Florida Academic Scholars Award Information

Pays 100% of tuition (you can use it to pay for other expenses)
Pays lab fees up to \$300 per semester
Pays up to \$300 of college expenses per semester
Requires a 3.5 GPA (weighted!)
Requires 15 credits of college prep courses
4 Credits English (3 with substantial writing)
3 Math (Algebra I and above)
3 Natural Sciences (2 with substantial labs)
3 Social Science
2 Foreign Language (in the same language)
TOTAL OF 15 CREDITS
Requires 1270 SAT or 28 ACT scores
Requires 75 hours of community service (All students must have completed 75 hours of community service as approved by the school district. To learn how to acquire community service hours, check with the guidance office at your child's school.)

Florida Merit Scholars Award

This award pays slightly less in tuition and requires a 3.0 rather than a 3.5 GPA.
SAT/ACT score requirements are also a bit lower.
There is also no community service requirement.

Florida Merit Scholars Award Information

Pays 75% of tuition
Pays lab fees up to \$300 per semester
Requires a 3.0 GPA
Requires 15 credits of college prep courses
4 Credits English (3 with substantial writing)
3 Math (Algebra I and above)
3 Natural Sciences (2 with substantial labs)
3 Social Science
2 Foreign Language (in the same language)
TOTAL OF 15 CREDITS
Requires 970 SAT or 20 ACT scores

Florida Gold Seal Vocational Scholars Award

This is a great scholarship for students who are interested in vocational-technical education.
Notice that the core courses required are those for high school graduation.

Florida Gold Seal Vocational Scholarships Award Information

Pays 75% of tuition
Pays lab fees up to \$300 per semester
Requires a 3.0 GPA
Requires 15 core credits required for high school graduation

4 English
3 Math
3 Natural Science
3 Social Science
1 Practical Arts or 1 Performing Arts
One-half in Life Management + One-half in Personal Fitness
Requires 880 SAT

How to Apply for Florida Financial Aid (Bright Futures Scholarships)

Applying for these scholarships is simple: You just have to complete and submit one form.

Here's what to do:

1) Get an Application

<https://www.floridastudentfinancialaid.org/pdf/StudApp2.pdf>. You can click here and download a copy of the Student Application form. Look it over carefully and ask your child's guidance counselor for more information.

2) Apply Online

https://www.floridastudentfinancialaid.org/UA/SAWSTUA_uaform.asp. This is the quick and easy way to submit an application.

3) Learn More About Bright Futures

<http://www.firn.edu/doe/brfuture/>. This page offers you a lot of information about Bright Futures Scholarships. You can also call this toll-free number for further assistance: 1-888-827-2004.

4) Get Your Questions Answered

<https://www.floridastudentfinancialaid.org/home/faq.asp>. This site will tell you about deadlines for applying, how to determine your child's eligibility, and more about the notification process.

How to Prepare

Preparing to apply for federal and state financial aid are two different processes.

The keys to applying for federal financial aid are as follows:

- 1) Learn all about the process
- 2) Gather the necessary information ahead of time
- 3) Apply early—January

The keys to applying for Florida scholarships are:

- 1) Know the standards of eligibility
- 2) Learn about application deadlines
- 3) Meet the application standards

About the Third Way

The next way to get more money for college is to find and earn **merit-based scholarships**. Earning these scholarships requires a lot of research, preparation, and hard work on the part of your child. Academic performance, leadership ability, and many

other factors are used to determine award winners. You should review this section to learn how to search for and evaluate merit-based scholarships for your child.

Go to [EARNING MERIT-BASED SCHOLARSHIPS](#)

3. EARNING MERIT-BASED SCHOLARSHIPS

Learn About Merit-Based Scholarships. This section covers the third way to pay for college: earning merit-based scholarships. Merit-based scholarships are given to those students with documented abilities, talents, or a combination of these factors.

How to Find Merit-Based Scholarships: Ask Your Guidance Counselor

Guidance counselors have access to all necessary information, including applications for merit-based scholarships.

They also can help students with all phases of the application process.

Make sure you or your child have a good working relationship with the school guidance office.

Important Tip: Scholarship information gets sent to guidance offices, but counselors may not be able to inform your child of each and every one because they deal with hundreds of students.

It is your child's responsibility to inform a counselor about his or her desire to locate a scholarship.

Search for Scholarships on the Internet

You and your child can use the Internet to search for scholarships.

There are also many good scholarship search engines available on the Internet.

The best way to access them is by starting a "key word search."

Just type in the name of a search engine-- Google, for example--and then type in "scholarship search" or "college scholarships."

Using a key word search will enable you to access a tremendous amount of information.

You and your child can also look for yourselves using these on-line scholarship search sites:

Fast Net. <http://www.fastweb.com/> . *A free scholarship database containing 400,000 scholarships.*

College Net. <http://www.collegenet.com/mach25/> . *This search vehicle contains 600,000 awards.*

Fast Aid. <http://www.fastaid.com/> . *Claims to be the largest private scholarship database.*

Bank of America. <http://www.bankofamerica.com> . *Use this site to register for a free scholarship search.*

Black Excel. <http://www.blackexcel.org/> . *This is a very comprehensive resource for African-American students. Be sure to use the "Scholarship Gateway" tool on this site.*

Minority Scholarships. <http://www.free-4u.com/minority.htm> . *This site provides links to many scholarships available to minority students.*

Hispanic Students: <http://www.hispanicscholarship.com/> . *Scholarship search engine designed especially for Hispanic students.*

Assessing Scholarship Information

The next step in earning a scholarship is to assess the requisite information:

- 1) how to apply
- 2) scholarship eligibility criteria
- 3) deadlines for applying

Here are some tips to follow as you gather this information:

- 1) **Narrow Your Search.** National scholarships are usually highly competitive. Many students and parents think that by applying for as many scholarships as possible they will improve their chances. This is not necessarily true. It's better to narrow your search and to focus on producing a quality application for scholarships that your child has a realistic chance of getting.
- 2) **Focus on Strengths.** It is best to focus on scholarships that match your child's personal strengths, talents, or achievements. Don't waste time filling out applications for scholarships whose criteria are clearly not well matched to your child's abilities.
- 3) **Keep a Record of Eligibility Requirements.** Every parent should start looking for scholarship information now and write down the general scholarship eligibility requirements. Why? Because these criteria make excellent performance goals for your child!
- 4) **Evaluate Scholarship Opportunities.** At some point, you should identify the scholarship opportunities your child should pursue. To do this, you will have to make certain that your child meets the minimum performance standards required for eligibility.

Ways to Search for Scholarships

Don't pay__ for a scholarship search.

- **All scholarship information is freely available to the public.**
- Advertisements for search services may claim to get your child a scholarship or provide a service for which they charge a fee.
- All these services will do is to send you a long list of opportunities that are already made available for free at most high school guidance offices.

Use your child's career field as a search tool—see how many scholarships are offered to students in your child's career field and assess their eligibility standards.

Use eligibility requirements to make realistic assessments of your child's chances for scholarships.

Don't waste your time applying for scholarships if your child doesn't meet the eligibility criteria.

How and When to Apply for Scholarships

Most scholarship applications should be submitted during your child's senior year.

Application forms can be downloaded from the Internet or obtained from high school guidance offices and college admissions offices in the Fall of each year.

Students should start preparing to apply during their junior years.

In most cases, students will have to supply letters of recommendation, prepare an essay, and fulfill other criteria.

There are a number of good web sites that will show you and your child how to write a good scholarship essay. Here is a good place to start:

<http://medi-smart.com/scholar1.htm>

How to Prepare

1. **Start Early.** Don't wait until your child's senior year to research scholarship opportunities.
2. **Pay attention to instructions.** Scholarship applications contain explicit instructions. Don't overlook any of the details. Don't omit required information. Failure to comply with instructions can invalidate an application.
3. **Fill out a practice application first.** Photocopy the application and use the copy to write a draft. Once you and your child have fine-tuned the answers, type them neatly on the original.
4. **Be creative, but be concise.** Judges will be impressed by the quality, not the quantity, of your child's written work.
5. **Be honest, humble, and sincere.** You can list your accomplishments and the obstacles you have faced in your life, but don't embellish them. Be honest and sincere. Judges read many, many applications. They know when students are exaggerating.
6. **Get others to help you with your essay.** Many scholarships require an essay. Spend a lot of time polishing it and get others to help you with it.
7. **Get more letters of recommendation than you need.** This will allow you to pick the best.
8. **Ask for help.** Ask your guidance counselor or teachers for help with scholarship applications. They can give you valuable advice and guidance.

Make Good Decisions. The purpose of this section is to help you focus your research on scholarships that your child has a realistic chance of getting. If you read over this section carefully and use the websites provided, you will eventually be able to make informed decisions about your child's scholarship opportunities.

Need-Based Scholarships. Merit-based scholarships are not easy to get and are not the only type of scholarship your child should pursue. Go on to the next section to learn about [Locating Need-Based Scholarships](#).

4. LOCATING NEED-BASED SCHOLARSHIPS

Where to Find Need-Based Scholarships. Many colleges and universities offer scholarships that are based on a student's financial need. They often use their own set of criteria to evaluate students' financial need. The best way to find out about these scholarship opportunities is to contact the financial aid office of a college and ask for information. You can also visit the college websites; many colleges provide information on their websites about institutional awards.

What to Do Next

You may discover that your child's college requires special application forms to qualify for these institutions forms.

Be sure you ask for them and know the application deadlines.

Some schools also require your child to fill out a separate form called the **CSS/Financial Aid PROFILE.**

The CSS PROFILE is required by many private colleges, universities, graduate and professional schools to **determine eligibility for non-federal financial aid**, such as an institution's own grants, loans, and scholarships.

The PROFILE is administered by the College Scholarship Service® (CSS), a division of the College Board.

How to Complete the CSS PROFILE

Check with the college to verify that your child must submit a PROFILE for non-federal financial aid.

The PROFILE can usually be submitted as early as the fall, while FAFSA is not accepted until January.

The deadline for submission varies so be sure to check with your school about PROFILE deadlines.

Here are the steps to take to complete the CSS PROFILE

- 1) You must first register with CSS for the PROFILE. On the registration form, list the schools requiring the PROFILE that you are considering. Get a registration form from the school to which you are applying or from the College Board by mail, by phone at 1-800-778-6888, or you can register online at the [College Board's PROFILE Online](#) site.
- 2) If you've submitted your registration by mail, you will receive your PROFILE at the address you provided. This PROFILE is customized with only those questions that are required by the schools listed on your registration form. Complete and mail your PROFILE as soon as you get it.
- 3) Once CSS has finished processing your PROFILE application, you will receive your CSS Acknowledgement that shows the schools and programs that have received your information. You will also receive a PROFILE Data Confirmation Report for each school/program; you can note discrepancies or errors and send the

corrected report directly to your school(s). It takes about 2 weeks to deliver the CSS Financial Aid PROFILE to the selected schools and scholarship programs.

Information You'll Need for the PROFILE

The schools you contact may have different requirements. You or your child will be required to provide some basic information, however: income, assets, expenses during the previous year, and other financial statistics.

The Cost of Completing the PROFILE. CSS charges a \$7 non-refundable registration fee and an additional \$16 fee for each school your PROFILE information is sent to. If you register by phone or mail, you may pay by credit card or check. If you register online, you must pay by credit card, but you'll get a \$1 discount on your registration fee.

Find Out About These Opportunities

Students and parents are often unaware of these scholarship opportunities because no one informs them. You can avoid this problem by doing your own research. This information is not hard to get and can be of great help to your child. The main thing to remember is to begin contacting the colleges that your child may want to attend. Get the number of the financial aid office and ask about institutional awards and their application procedures.

More Untapped Resources: Local Scholarships. Local Scholarships are another good source of financial aid for college that students and parents may overlook. To learn about these awards, go to [SEARCHING FOR LOCAL SCHOLARSHIPS](#) now.

5. SEARCHING FOR LOCAL SCHOLARSHIPS

Don't Miss Local Scholarships! Why should you care about local scholarships? Well, for one reason, there are far more scholarships available to your child locally than you might think. For another, there is less competition for these scholarships than for national or state awards. Your child thus stands a much better chance of getting a local award simply because there are fewer candidates.

How to Find Local Awards. To find local awards you have to ask the right people. Here are some good people to ask about local scholarships:

- 1) **Your Child's Guidance Counselor.** The best way to find out about local scholarships is to have your child talk with a guidance counselor regularly. Counselors will have a list of scholarships that are funded by local individuals, civic organizations, or businesses. **Many guidance counselors are experts at finding scholarships and will gladly help when asked. The key is to ask!**
- 2) **Contact Local Businesses.** Don't be shy about calling local businesses for information about scholarships. Many large corporations offer scholarships to students in their areas. **Ask your Chamber of Commerce representative about these opportunities.**
- 3) **Contact Local Colleges.** Call the **financial aid offices of community colleges** that your child might attend. They can let you know about any scholarships offered in your community.
- 4) **Check Out Civic Organizations.** Many civic clubs such as Rotary, Kiwanis, and Civitan offer awards to local students. **Ask a guidance counselor or contact a local Chamber of Commerce representative directly about these local scholarships.**
- 5) **Contact Local Education Foundations.** Ask a guidance counselor for a list of local education foundations and call their contact persons for information about college scholarships. **Education foundations often award scholarships to area students.** They are also very good sources of information as well and may direct you to other scholarship opportunities.
- 6) **Contact Your Church.** Religious organizations also offer local scholarships. Talk to members of your church about scholarship opportunities for your child. Members of your church are a great source of information and will probably go out of their way to help you—if you ask them!

The Key to Finding Local Scholarships. Looking for local scholarships should be an important part of your child's efforts to pay for college. The key to finding these awards can be boiled down to one word: **Ask.** So many times opportunities walk right by us because we simply forget to ask another person for information. Friends are a great

source of information because they will stay on the lookout for new information to pass on to you. People at your work are another good resource.

Now it's time to go to the sixth way to get more money for college: part-time jobs. This is an important section because it tells you about the pros and cons of part-time jobs for students. Earning extra money for school sounds like a great thing, but will it hurt your child's grades? **In the long run, your child's grades are very important, so you want to read the next section carefully.**

Go to **[PART-TIME JOBS: PROS AND CONS](#)**

6. PART-TIME JOBS: PROS AND CONS

Earning Money for College: Should Your Child Get a Part-Time Job? A young person who gets a part-time job in high school or college will earn extra money and learn about responsibility. This money can help to pay for some of the costs of college. But there is one question you should consider: Will a job keep your child from doing his or her best in school? Working during the school week can take time and energy away from your child's studying. Is a job worth the time and money?

Think about these questions if your child asks you about getting a job in high school:

- 1) **How will the money be spent?** Has your child learned how to design and stick to a budget? Should your child have total control of the money he or she earns? How much should he or she set aside to pay for college? *Many high school students have part-time jobs, but not all use the money wisely.* For example, many young people want to buy a car while in high school. Maintaining a car can be expensive and use up most of a young person's earnings.
- 2) **How will the money affect your child's Expected Family Contribution?** Here's another thing to consider. If your child earns money at a part-time job, he or she will eventually have to report this as income on the FAFSA. **35% of a student's savings goes into the EFC and diminishes his or her financial need.**
- 3) **How will the job affect your child's attitude toward school?** Getting a part-time job can also change a young person's attitude toward school. Young people have a natural tendency to look at the short-term and neglect the long-term view of things. "Hey, I'm making good money right now. Why should I spend all that time in college when I could be working?" Students who get a part-time job often have an unrealistic view of the world of work. Because they were able to walk in and get hired, they believe that getting a job is no big deal. They might not realize that the pathway to most higher paying jobs is not so easy and requires a college education.
- 4) **How will the job affect your child's academic performance?** Another factor to consider is the time and energy that your child will put into a job. Will he or she be too tired to study? Studies have shown that students who put in a lot of work hours a week often experience problems in school: attendance slips and grades go down.

Investing in the Future. Here are some suggestions on how to deal with these issues. Sit down with your child and talk over the pros and cons of getting a job. Listen to what your child has to say about making money and what he or she wants to do with it. *As we all know, young people do not always see the "big picture" clearly. They do not have the experience to understand the importance of education from a long-term perspective.* It's the parents' job to keep their children's "eyes on the prize." The goal here is to help your child make an informed decision that is in his or her best interests. Getting a part-time

job is one way students can earn more money for college, but, as we have seen, there are pros and cons to this strategy. Be sure to think about the consequences of part-time work: Are they worth it in the long run? If young people spend their earnings on cars or other expensive products, how will this impact their chances to go to college? *Try to make your child understand that time spent working hard in school will pay off later.* Try to explain the working hard in school and at a job requires the right balance. Working too many hours can make studying harder and lower one's grades. Students can often handle school and a job, but only if they don't sacrifice studying.

Share Your Experiences. Talking to your child about the value of an education can be one of the most important things you ever do as a parent. Keep your child's eyes on the big picture: graduating from high school, going to college, and getting a good job. Getting a part-time job can help your child pay for college, but only if he or she saves the earnings. Also, this money won't seem so important if your child's grades drop. This can affect his or her chances to get scholarships and/or be admitted to college.

What to Do with Earnings? Is it worthwhile for you to save money for your child's education? In the next section, you will learn that a college savings plan is really a good idea—if you have the right information.

Go to [**SAVING FOR COLLEGE**](#)

7. SAVING FOR COLLEGE

Should You Save for Your Child's College Education? For many families, saving money is not really an option. Financial burdens sometimes make saving money nearly impossible. Students from families that cannot afford to save money for their college education will have to rely upon the financial aid package offered by a college and any scholarship money they can obtain. In certain cases, a family may decide to make special sacrifices to help save money for a child's education. But is this a good idea? Considering the cost of college, will savings make a real difference in your child's chances of paying for college? Will your savings actually count against your child by lowering his or her financial need?

Is a Savings Plan a Good Idea?

The answer is yes.

Families that attempt to save money for their children's college expenses will be in a better position than those who don't.

A student from a family that has saved money may not have to borrow as much in student loans, which are part of most financial aid packages.

Will Savings Substantially Lower Your Child's Financial Need?

The answer is no.

When the Expected Family Contribution is calculated to determine a student's financial need, less than 6% of the parents' assets are entered into the calculation, and none of their home equity is included.

Parents who save \$40,000 for college expenses, for example, will have only \$2,240 counted as part of their parental contribution.

Students who have their own savings can be assessed 35% of the total amount of this amount as part of the family contribution.

The reason for the difference in percentage is that the student will be the direct beneficiary of the college education and is expected to invest a higher percentage.

The Main Benefit of a College Savings Plan. Saving for college has another advantage: it will help **keep your child from incurring unwanted debt in college**. Many students run into debt through the use of credit cards. In 2001, 78 percent of college students had at least one credit card. The average credit card debt per student was \$2,748. Add this total to the amount of the student loan most students have to pay and you can see that **debt can become a burden to college students, during and after college**.

How to Learn More About College Savings Plans. If you want to learn more about saving for your child's college education, go to these sites and use the calculators:

- 1) <http://www.kiplinger.com/tools/college1.html>.
- 2) <http://www.calcbuilder.com/cgi-bin/calcs/SAV4.cgi/Kiplinger>
- 3) <http://www.futurescholar.com/>

Another way to get more money for college is through **work-study opportunities**. Students are offered work-study opportunities by colleges as part of their financial aid packages. The key for students is to get jobs that best meet their needs.

Go to **[GETTING WORK STUDYMONEY](#)**

8. GETTING WORK-STUDY MONEY

The Benefits of Work-Study. The purpose of this section is to help you guide your child toward the most beneficial types of work-study opportunities. Colleges often provide work-study opportunities for students as part of their financial aid packages. This encourages students to do community service work and work related to their fields of study.

Work-study opportunities are far better for students than most part-time jobs offered on- or off-campus.

Wages for work-study jobs will be at least the current federal minimum wage, but are usually higher, depending on the type of work and the skills required.

The total Federal Work-Study award depends on when your child applies, the level of his or her need, and the funding level of the school.

When assigning work hours, the financial aid administrator or employer will consider your child's class schedule and academic progress.

Work-study hours are always limited so that students will take too much time away from their course work.

The amount your child can earn cannot exceed the total Federal Work-Study award.

What are the Best Work-Study Jobs for Your Child? Colleges offer students a wide variety of jobs. Which jobs should your child try to locate?

The best work-study jobs are those related to your child's career field.

These jobs can help students get valuable experience and make contacts.

The next best jobs are those that allow your student to study on the job!

Community services jobs are the next best jobs.

These jobs provide great learning experiences for students.

How to Get Good Work-Study Opportunities. After accepting the financial aid package offered by a college, your child should attempt to meet with the financial aid administrator to learn more about work-study opportunities on campus. At that time a student may request specific jobs. This may or may not result in obtaining the best opportunity, but administrators usually try to accommodate students' requests.

The next way to earn more money for college is often overlooked, but **cutting costs** is a good strategy that can pay off over time, if students have self-discipline and can stick to a budget. Go to the next section and find out.

Go to **CUTTING COLLEGE COSTS**

9. CUTTING COLLEGE COSTS

Cutting Your Child's College Costs Can Make a Difference. This section will offer you some practical things you and your child can do to cut down the high cost of college. No, they won't magically make all college expenses disappear, nor will they have a drastic impact on your child's finances. Nonetheless, you'd be surprised how much money students can save if they follow a few simple rules.

Cost-Cutting Tips. Here are a few suggestions for helping your son or daughter cut down on the cost of college:

- 1) **Help Your Child Manage a Budget.** Mismanagement of money is a serious problem for many college students. Practicing how to design and manage a budget will teach students how to cut costs and make good decisions. **Getting your child into the habit of recognizing what expenses are necessary and those that are not is one of the most important things you can do to help child avoid financial problems in the future.**
- 2) **Live and Eat at Home.** Students who attend a school close to home can continue to live and eat at home. This can save you and your child a lot of money. Living at home can also be beneficial for students; many young people are not ready to be out on their own. If they can't handle it, their academic performance may suffer. **Be sure to discuss these independent living issues over with your child often. Find out what your child feels about staying at home or living on campus.**
- 3) **Save Money on Books.** Students will often spend several a hundred dollars or more per semester on books. They can then sell the books back to the bookstores, but they will not get a high return on their money. Here are some tips to share with your child about saving money on books. First, try to find used books in the bookstore. Used books can be as much as half the price of new books. To find them, you will often have to get them several weeks prior to the start of class. Second, students can try to find other students who have textbooks for sale before they are gone. (This information is on bulletin boards all over campus.) The plain fact is that, by buying used books, your child may save 50% of the cost of buying new textbooks.
- 4) **Negotiation.** Your child has been accepted at a college. The college has offered him or her a financial aid package, but you are not happy with it. Try to set up an appointment with the school's financial aid administrator to voice your concerns. **Colleges have been known to readjust the financial aid packages they offer students based on additional information they have received from students and parents.** At best, your child might receive more grant money. At worst, you get to meet the financial aid administrator, who will be a valuable contact during your child's stay at the school. This is a win-win situation!

- 5) **Clothing.** Clothing is another area where students and parents have a lot of options. What clothes will your child need for college? Appropriate clothing is important for a young person, but young people often want every item to be a designer brand. Perhaps the best thing to do here is sit down with your child and talk about a clothing budget. Clothes are important, but getting that college degree is the most important thing to worry about. You can point out the fact that a college degree will help your child buy a lot more nice clothes later.

- 6) **Take AP Courses.** Taking advanced placement courses in high school can also help knock down college costs. If a student passes the AP exam for American History, that's one less class he or she will have to pass in his or her freshman year at college. The more AP exams your child passes, the less general education or core classes he or she will need to take at college.

More Cost-Cutting Tips. Here are a few more ideas for lowering expenses:

Use Coupons. Save coupons and use them as often as possible. This practice can save lots of money over a semester.

Avoid Impulse Buying. Urge your child to stay on a budget. Impulse buying is one way to get over-extended.

Be Careful of Credit Cards. Credit card companies have targeted college students as a high-priority market. But is your child ready to manage a credit card? And does he or she understand about interest payments? Students often forget that they have to pay interest charges as well as the principal.

Think About Cutting Costs. These ideas are only the tip of the iceberg. You and your child can probably come up with many good ideas if you talk about this topic seriously. Cutting costs is not hard if you have self-discipline and make reasonable choices about spending your money. If students focus on cutting costs, they will be surprised at how much extra money they will have for their necessary college expenses.

Finishing the Course! The tenth way to get more money for college is to accept a student loan. Students are often offered federal student loans as part of their financial aid packages. The last section will tell you **ALL ABOUT STUDENT LOANS.**

10. ALL ABOUT STUDENT LOANS

Loans are the Final Option. Your child may be offered a federal student loan as part of his or her financial aid package. These loans have a low rate of interest (5%) and reasonable repayment schedules. But many students do not understand their obligations because the terminology of loans can be confusing. The purpose of this section is to help you inform your child about his or her responsibilities under the provisions of a student loan.

Questions to Ask About Loans. The first thing to do is ask your child a few basic questions about student loans. Naturally, your son or daughter will not know the answer, but the goal here is to **teach them how to ask appropriate questions before they commit to the provisions of a student loan.**

Here are some general questions about student loans you should discuss with your child:

- 1) How much money am I offered?
- 2) When will the payments begin?
- 3) How long will the payments run?
- 4) What rate of interest rate will I pay?
- 5) What are the penalties for late payments or default?
- 6) What is the total amount of my payment?

Key Financial Terms to Know. Here is a list of some important terms that you should explain to your child:

Principal. The total amount of money you borrow.

Balance. The portion of the principal and interest that has not been paid.

Term. The length of time you have to repay the loan.

Interest. A fee, usually a percentage of the loan amount, that is charged in exchange for lending the money.

Fixed Rate of Interest. If the interest rate stays the same for the term of the loan, it is called “fixed.”

Variable Rate of Interest. If the interest rate changes at certain times, it is called “variable.”

Accrued Interest. If you are allowed to postpone payment of the interest, it will accumulate—accrue—alongside the balance.

Capitalized Interest. Unpaid accrued interest that is added to your balance—so you pay interest on the interest.

Promissory Note. A binding legal document you must complete and sign in order to obtain a student loan.

Notice of Loan Guarantee and Disclosure Statement. This document specifies the terms and conditions of your loan, and discloses the amount of funds you will receive. It also includes the amount of origination and guarantee fees that may be deducted from your loan proceeds.

Guarantee Fee. This is a charge for “insurance” that goes to your guarantor which will reimburse the lender for your loan in the case of death, default, or total and permanent disability.

Disbursement. This is the lender’s payment of your loan money to your child and your child’s school.

Deferment. This is the period of time during repayment in which you, upon meeting certain conditions, are not required to make payments of loan principal.

Grace Period. This is the time before your child must begin to repay the loan—usually six or nine months after leaving school or dropping below half-time status. Interest on some loans may accrue and be capitalized during a grace period.

Repayment Schedule. This is a plan that indicates the total amount to be repaid, payment amounts, and the number of payments due. All federal student loans require a minimum monthly payment, generally no less than \$50 a month.

Default. Failure to make the required monthly payments for an established period of time is called default. Default is a serious matter. It can ruin your child’s credit rating. It can prevent him or her from receiving other student aid. Seizure of personal property, garnishing of wages, and other legal steps can be taken against your child if he or she defaults on a loan.

Subsidized and Unsubsidized Loans. Your child’s school may offer him or her a federally funded loan opportunity. Federal loans can be subsidized or unsubsidized. Your child may be offered one, the other, or a mixture. A subsidized loan is awarded on the basis of financial need. This means that the government does not charge any interest before your child begins to repay it. *Subsidized loans are obviously better than unsubsidized loans.* Unsubsidized loans are not awarded on the basis of need. Your child will be charged interest from the time the loan is disbursed until it is paid in full! And that’s not all; if interest accumulates, it will be “capitalized,” that is, the interest will be added to the principal amount of your loan and additional interest will be based upon the higher amount. If your interest is capitalized, it will increase the amount you have to repay. If you choose to pay interest as it accumulates, you’ll repay less in the long run.

Information about Federal Loans. Here are brief profiles of the major federal loans:

Federal Perkins Loans. A Federal Perkins Loan is a low-interest (5%) loan for students with exceptional financial need. The college is the lender. This means that the college will decide the amount as part of the financial aid offer. The loan is repaid to the school. Students can borrow up to \$4,000 each year and a total of \$20,000 if they have completed two years of undergraduate work. Failure to pay on time will result in late charges. Payments must begin nine months after you graduate from college or leave school. The monthly payment will depend on the size of the debt and the length of the repayment period. Loan payments can be deferred if your child is granted a deferment

(for cause, such as unemployment or other reason). If your child is temporarily unable to meet the repayment schedule, but not eligible for deferment, he or she can try to receive forbearance for a limited time period. During this period, payments are eliminated or reduced. Perkins loans have definite advantages for your child.

Direct and FFEL Loans. Your child may be offered a Direct or FFEL Loan. The interest rate on these loans could change each year of repayment, but, by law, it will never exceed 8.25%. These loans can be both subsidized or unsubsidized. **Be certain that you understand what will happen with an unsubsidized loan! Your child will be charged interest from the day the loan is disbursed until the date it is due! Interest that accumulates will also be capitalized!** These loans also involve a fee of 4% of the loan and payments are due six months after graduation or if the student leaves school.

Conclusion: Know Your Rights. Before you sign your name on the bottom line, you should know your rights as a borrower. Here is a list of the information you should have before you make any important decisions:

- 1) The full amount of the loan (principal + interest)
- 2) The interest rate
- 3) When the payments will be made to the student (This is important. Many students run into trouble if their payments come too late to meet school deadlines.)
- 4) When the repayments of the loan must begin
- 5) A list of charges that must be paid (fees, etc.)
- 6) The yearly and total amounts that can be borrowed
- 7) The maximum repayment periods and the minimum repayment amount
- 8) An explanation of default and its consequences
- 9) An explanation of available options for consolidating or refinancing the loan
- 10) A statement that you can prepay the loan at any time without penalty

The Bottom Line. Knowledge is power when it comes to financial aid. This is truly the case with student loans. Before you and your child accept the conditions of a student loan, do the math and cover all the bases. In other words, write down the answers to all the questions on this page. Students with financial needs are often offered federal loans. These loans are different from the loans offered by private lenders (whose objective is to make money). Student loans are intended to make it possible for students with financial need to pay for college. *The key to success here is to have a plan on paper before you sign a promissory note!*

If you would like a lot more information on student loans, visit this website:

http://www.students.gov/STUGOVWebApp/link_search/SG_Link.jsp;jsessionid=1GN21E0J0CDBTC1IROT1W1Q?Topic=0202&QPage=0

Start Your Plan Now! After you have read over each section of this course, you can begin to think about your child's plan to pay for college. If you want even more information, please visit the [Parent Library](#). To make your planning easier, we have included some good practical information and tools that you can use.

[Federal Grants and Loans](#)
[Scholarship Search Information](#)
[Financial Aid Application Record](#)
[College Student Budget Planner](#)
[Financial Aid Calendar](#)

FEDERAL GRANTS AND LOANS

Program	Description	Annual Award	Repayment
Federal Pell Grant	Monetary gifts to qualified students. Eligibility based on financial need.	Up to \$3,750. Subject to federal budget appropriations and availability of funds.	None
Federal Supplemental Educational Opportunity Grant	A monetary gift awarded to students based on financial need; priority given to applicants qualifying for Pell Grants.	Up to \$4,000. Limited funding. Most awards are less than the maximum.	None
Federal Work-Study	Schools offer students employment opportunities to help them pay for college expenses. Eligibility is based on financial need.	Earnings are at least minimum wage, but may be higher. Hours range from 10-15 per week. Hours can't exceed total amount of the award.	None
Federal Perkins Loans	5% fixed-interest loan with college serving as the lender. Principal and interest charges deferred while enrolled at least half-time. Eligibility based on financial need.	Up to \$4,000 annually.	Repayment begins nine months after the student graduates, falls below half-time enrollment or leaves college. Repayment may run up to 10 years.
Federal Stafford Loan (Subsidized and Unsubsidized)	Annually adjustable variable rate with a 8.25% maximum. Eligibility for the subsidized Stafford is based on financial need and features deferment of principal and interest charges while enrolled at least half-time. Eligibility based on financial need.	Full-time Dependent Undergrads can receive up to \$2,625 for the first year; \$3,500 for the second year; and up to \$5,500 thereafter.	A standard repayment may run up to 10 years. Repayment begins six months after graduation, leaving school, or dropping below half-time enrollment. The government pays interest until repayment begins for subsidized loans; borrower pays all interest charges for the unsubsidized loans, which may be deferred and capitalized.
Federal PLUS Loan (Parent Loan—requires good credit history)	Annually adjusted fixed variable rate interest with 9% maximum. Eligibility determined by college, but not based on need	May borrow up to the difference between college costs minus estimated financial assistance.	Repayment begins within 60 days after the loan is fully disbursed.

FINANCIAL AID APPLICATION RECORD

It is a good idea to keep a record of your child's applications. This tool will make it easier to make certain he or she does not forget to apply for an important award!

Type of Financial Aid Application	Application Deadline	Date Sent
Federal Financial Aid (FAFSA)	(Before January 15 th !)	
Florida Scholarship (Bright Futures)		
Local Scholarships		
1.		
2.		
3.		
National Scholarships		
1.		
2.		
3.		
4.		
5.		
Institutional Scholarship		
Loans		
1.		
2.		
3.		

COLLEGE STUDENT BUDGET PLANNER

Income			
	Per Month	Per Semester	Per School Year
Work-Study			
Money from Home			
Total			
Loans			
1.			
2.			
Scholarships			
1.			
2			
Grants			
1.			
2.			
Savings			
Subtotals			
Total Available Income:			
Fixed Expenses			
Rent + All Others			
Subtotals			
Total of Fixed Expenses			
Flexible Expenses			
Food			
Clothing			
Entertainment			
Telephone			
Books			
Medical/Dental			
Supplies			
Fees			
Subtotals			
Total of Fixed Expenses:			
Total of Flexible Expenses:			
Total of Income:			
Difference:			

FINANCIAL AID CALENDAR

How to Construct Your Child's Financial Aid Plan. You have just learned about the 10 ways to get more money for your child's college education. Now it's time to formulate a plan to use this information. This Financial Aid Planning Calendar contains a schedule of activities that will enable you and your child to coordinate your efforts and work on the 10 Ways together! This calendar will tell you what to do to, when to do it, and connect you to on-line resources to help you.

You can also use a good online financial aid calendar available on the Princeton Review website: <http://www.princetonreview.com/college/finance/articles/tools/aidcalendar.asp>.

JUNIOR YEAR

SEPTEMBER--DECEMBER

Make sure your child has a Social Security number. This number is necessary to apply for college and financial aid.

Begin researching scholarships and loans.

- You can use the College Express site to get started:
<http://www.collegexpress.com/>
- You and your child can conduct your own independent scholarship searches using the Internet (use search engines provided earlier)
- Make a list of scholarship criteria
- Make a To-Do List of things you can do to increase your child's chances of obtaining a scholarship.
- Get a list of local scholarships from the school guidance counselor
- Keep a file of scholarship information
- Identify scholarships for which your child is eligible

Gather college financial information

- Narrow college choices to five
- List all Cost of Attendance information from each school
- Use an on-line calculator to estimate your child's EFC and financial need:
<http://www.collegeboard.com/article/0,1120,6-29-0-401,00.html?orig=sec>

Contact financial aid offices of five selected colleges

- Obtain all financial aid information (many schools offer such information over the Internet)
- List deadlines for applying for institutional aid
- Obtain financial aid forms (if necessary)
- Ask for advice from financial aid administrator

Meet with school guidance counselor

- Discuss your child's options
- Ask for assistance with your financial plan

JANUARY--MAY

Research your college and scholarship essays

- Ask for assistance from English or Composition teachers

Begin asking teachers, guidance counselors, and others for letters of recommendation to include in your scholarship applications.

SENIOR YEAR

SEPTEMBER--DECEMBER

Make certain you have identified all your key deadlines

- Applying for federal aid
- Applying for state aid
- Applying for local and national scholarships
- Applying for institutional aid

Obtain copy of the FAFSA

- Obtain a copy from the school guidance office or:
- Download a copy from: www.fafsa.ed.gov
- **Make a list of all the information required to complete the FAFSA, such as:**

Social Security card and driver's license

Income tax returns

W-2 forms (parents' and students')

Records of untaxed income (Social Security benefits, Temporary Assistance for Needy Families, or veteran's benefits)

Current bank statements (stocks, bonds, investments)

- Start gathering necessary information
- Store information in one file

Parents and students should complete their income tax forms as soon as possible

Parents should save their year-end payroll stubs if it shows yearly earnings.

These may be needed for financial aid eligibility reviews by schools.

JANUARY--MAY

SUBMIT FAFSA—FIRST WEEK IN JANUARY

- Submit FAFSA electronically—faster, easier, and is processed more quickly
- Mailed copies take 4 weeks to be processed
- Electronic submission takes 2 weeks
- **KEEP COPIES OF ALL FORMS YOU SUBMIT**

Review SAR—end of January or first of February

- Make sure information is correct
- Make corrections if necessary
- If more than four weeks have passed after sending in your FAFSA and you have not received an acknowledgement, contact the Federal Student Aid Information Center at (319) 337-5665. They will need your child's name, social security number, address, and date of birth.

Review award letters from colleges

- You and your child should evaluate the financial aid packages
- Examine the conditions of any loan offers carefully

- Contact financial aid administrators to report any major changes in financial need

Make a decision about the financial aid package

Check with the college about the details of signing and returning the financial award letters

Don't wait too long to make a decision—financial aid offers are not held open indefinitely!

Sign the financial aid award letter and return it before the deadline

Notify the financial aid office of any scholarships you have earned

Complete any separate loan applications you decide to accept