



in partnership with



# Your 1-2-3 approach to paying for college

When you're planning for college, the first question is often which school to choose. But equally as important is the question of how you'll pay for it. That's why we've partnered with Sallie Mae® to bring you their 1-2-3 approach to paying for college. If you're not sure how you'll pay for college or what you can afford, taking it one step at a time can help.

## 1 Start with money you won't have to pay back.

### College savings

Begin with any college savings you or your family have been put aside for college.

### Scholarships

Scholarships are offered by colleges and universities, federal and state governments, religious groups, professional associations, employers, and other companies. Get the most free money possible. Scholarships aren't just for straight-A students or athletes, but they can be awarded for a number of criteria:

- Organization memberships • Community leadership
- Financial need • Ethnic, religious, or national background

Apply for scholarships—the earlier, the better, since many have deadlines.



**Apply for scholarships every year you plan to attend college—not just for freshman year.**

### Grants and work-study

Grants and work-study are generally federally funded, so be sure to submit the Free Application for Federal Student Aid (FAFSA®) to apply for them. The FAFSA® is also used to apply for most state loan, grant, and scholarship programs.

- Pell Grants, the largest federal grant program, are based on financial need; unlike a loan, a Pell Grant doesn't need to be paid back.<sup>1</sup>
- Work-study programs are offered by federal and state governments, as well as schools. They offer part-time jobs that let students earn money to help pay education expenses.

## 2 Explore federal student loans.

There are several types of federal student loans, including Direct Subsidized Loans, which are based on financial need and Direct Unsubsidized Loans, which are available regardless of family income.

- You can apply for both by filling out and submitting the FAFSA®.
- They're issued in the student's name and the student is responsible for paying them back.
- They're eligible for income-driven repayment plans that link monthly payments to income.
- Federal loans may be eligible for loan forgiveness programs, such as the Public Service Loan Forgiveness Program for borrowers who are employed by a qualifying public service organization.

### 3 Consider a responsible private student loan.

If you still need more money for school, a private student loan can help. Private loans differ from federal student loans in several ways:

- They're originated by banks and credit unions.
  - They're credit-based: the lender reviews your credit score, history, and other information to determine if you qualify. A cosigner—parent, guardian, or other adult—may improve the chances of approval. Some lenders offer a cosigner release option.
- Your interest rate is based on several factors, including your creditworthiness.
- Private student loans may offer different features, terms and options, and benefits that can help reduce your interest rate and/or total loan cost.

#### Senior year checklist

*Note: Timing for acceptance and school-specific financial aid information can vary by school.*

#### Summer

- Request admissions information and catalogs from your target schools.
- Start the search for scholarships.
- Combine vacation plans with campus visits.
- Start working on college application essays.
- Begin to gather information for the FAFSA®.
- Start the Common Application online.

#### September/October

- Complete college applications.
- Take SAT, ACT or SAT subject tests.
- Ask your school counselor to send transcripts to selected schools.
- Submit a CSS (College Scholarship Service)/Financial Aid Profile, if required.
- Ask for letters of recommendation.
- Submit the FAFSA® (fafsa.gov) beginning October 1.

#### November/December

- Take SAT, ACT, or SAT subject tests.
- Watch for the Student Aid Report (SAR); review for accuracy.

#### January

- Fill out and submit additional college or state financial aid forms, if required.
- Stay on top of financial aid deadlines.

#### February/March

- Check the mail for college acceptances and financial aid award letters.
- Discuss special financial situations with the financial aid office.

#### April/May

- Review all award letters carefully.
- Decide on a school and send the deposit.
- Review financing options; if a private student loan is needed, borrow responsibly and consider a cosigner.
- If applicable, confirm with your school that you have met the necessary requirements to secure on-campus housing.

#### June/July/August

- Pay first tuition bill.
- Start packing!
- Attend orientation and register for classes.

#### Borrow responsibly

We encourage students and families to start with savings, grants, scholarships, and federal student loans to pay for college. Students and families should evaluate all anticipated monthly loan payments, and how much the student expects to earn in the future, before considering a private student loan.

<sup>1</sup> See <https://studentaid.gov/understand-aid/types#grants> for more information.

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