

# 5 Steps in Paying for College

Now that you've made the decision to attend college, allow College Answer to help you understand the costs involved. This sheet is packed with invaluable advice on getting the financing you need to achieve your dream. For additional information on planning and paying for college, visit [CollegeAnswer.com](http://CollegeAnswer.com) — the industry's most comprehensive “go-to-college” resource for students and their parents.

The following 5-step approach advises you on school costs and financial aid:

### Step 1: Understand School Costs

Tuition, books, and laundry detergent are some of the components that make up your total cost to go to school, also known as your Cost of Attendance (COA). Get familiar with these charges so you can be prepared for the next step.

### Step 2: Determine Eligibility for Aid

To qualify for student financial aid, you must meet the following requirements:

- Have financial need.
- Have a high school diploma or General Education Development (GED) certificate.
- Have a valid Social Security Number.
- Be enrolled in an eligible associate, bachelor's, or graduate degree program.
- Be a U.S. citizen or an eligible non-citizen.
- Maintain satisfactory academic progress (SAP) while in college.

### Step 3: Complete the FAFSA

All students seeking aid must complete the FAFSA (Free Application for Federal Student Aid). Most federal, state, and many college programs get pertinent details from this form. Your official Expected Family Contribution (EFC) is generated from the information you provide on the FAFSA.

### Step 4: Expect to Pay

Your EFC reflects the amount your family is expected to contribute to your education, based on family earnings, net assets, savings, size of family, and number of students in college. To determine your financial need, a school will subtract the EFC figure from the school's cost of attendance (COA).

### COMMON FINANCIAL AID MISTAKES

- Not applying early enough
- Not reading instructions
- Not fully completing applications
- Not using the correct Social Security Number



### Paying for College

Visit College Answer's Paying section for additional information about Paying for College.  
[www.CollegeAnswer.com/paying](http://www.CollegeAnswer.com/paying)

### College Answer's Free Scholarship Search

Getting scholarship search results is as easy as 1-2-3:

1. Log on to College Answer.
2. Complete the profile.
3. View your search results immediately.  
[www.CollegeAnswer.com/scholarships](http://www.CollegeAnswer.com/scholarships)

### Step 5: Discover Ways to Pay

Many options are available to help meet your college expenses. Here are some of your choices:

- Scholarships and grants
- Work study
- Tax credits and deductions
- State tuition programs
- Community and military service
- Individual Retirement Accounts (IRAs)
- Student loans

### Scholarship Tips

Be honest about your grades, experiences, memberships, qualifications, family finances, etc.

- Carefully follow instructions.
- Observe deadlines.
- Proofread everything before you send it.
- Find creative ways to present yourself.
- Send thank you notes.

### HIGH SCHOOL SENIOR TIMELINE

#### SEPTEMBER

- Discuss your course load, college plans, and test scores with your high school counselor.
- Request college apps.
- Arrange campus visits.
- Register for college entrance exams, if necessary.
- Keep all your info in a file folder, box, or cabinet.
- Update your calendar to keep track of important dates.

#### OCTOBER

- Review your transcript for accuracy.
- Ask for letters of recommendation.
- Work on applications and essays.
- Attend college fairs and gather information.
- Submit a CSS PROFILE form, if required.
- “Early Decision” candidates should complete college applications.

#### NOVEMBER

- Continue working on your college entrance apps.
- Run College Answer's Free Scholarship Search.
- “Early Decision” deadline is often November 1 or 15.
- Obtain financial aid forms from your choice schools.
- Finish essays and review your work.

#### DECEMBER

- Ideally complete applications by December 1.
- Complete the FAFSA Pre-Application Worksheet — be ready to complete your FAFSA online when January 1 rolls around.
- Take SAT or Achievements, if registered.
- Stay organized.

#### JANUARY

- Submit your FAFSA as soon after January 1 as possible.
- Fill out and submit required financial aid forms. Follow instructions closely and make copies.
- Familiarize yourself with state deadlines.

## Need a Student Loan?

### Consider your options

If your financial aid award package includes a student loan, it's up to you to apply for it. Instructions are provided with the award letter.

Even if a student loan is not a part of your award, you may get a loan if you cannot meet the Expected Family Contribution (EFC) from your savings or current income.

Loans have made a college education possible for millions of students, but consider your options carefully before borrowing and limit borrowing to only the amount necessary.

### DON'T BORROW MORE THAN YOU NEED!

Every dollar you do not borrow is a dollar you do not have to pay back.

### Borrow wisely

Borrow as a last resort. Just because a loan is available does not mean that taking the loan is wise or necessary.

### Choose your lender carefully

Selecting a lender is an important decision that could save you money and make the level of service better over the life of the loan.

Although basic interest rates are the same from lender to lender, some lenders offer cheaper loans. For example, **Sallie Mae lenders** offer interest rate reductions to borrowers who pay electronically through automatic debit or who have paid their loans on time for a specific period of time.

Some lenders offer superior service. For example, students who borrow from **Sallie Mae lenders** will receive:

- Responsive, customer-oriented service.
- Toll-free customer service lines.
- Online access to account information.
- Account information available 24 hours a day, seven days a week.

Repayment may seem a long way off, but choosing cheaper loans now can mean big savings later.

### CAN YOU ANSWER THESE QUESTIONS?

- Are my parents responsible for my student loans?
- Do I still have to repay my loan if I don't complete my education or am not satisfied with it?
- Do I have to submit a new FAFSA every year?
- Seven years ago, my parents filed for bankruptcy. Are they eligible for a PLUS loan?

## Glossary Terms

### Award letter

An official document issued by a financial aid office listing all the aid awarded to the student. The award letter will include information about the cost of attendance and terms and conditions for the financial aid.

### Borrower

The person who applies for a loan and receives the money.

### Cost of attendance

The total cost of attending a postsecondary institution for one academic year. The student's budget usually includes tuition, fees, room, board, supplies, transportation, and personal expenses. Also known as COA.

### Credit-worthy

An individual with no negative credit history per the criteria established by the lender.

### EFC

Expected Family Contribution. Amount a family is expected to contribute to a student's education, based on family earnings, net assets, savings, size of family, and number of students in college.

### FAFSA

Free Application for Federal Student Aid. The form that must be completed by students and parents applying for federal student aid.

### Financial need

The difference between the cost of attendance at a college and the EFC. Also known as financial aid eligibility.

### Promissory note

Contract between a borrower and a lender that includes the terms and conditions under which the borrower promises to repay the loan.

### SAR

Student Aid Report. A report, summarizing financial and other information reported on the FAFSA, sent to a student by the federal government. The student's financial aid need is indicated by the Expected Family Contribution (EFC), which is printed on the document.

### Student Financial Aid

Financial assistance in the form of scholarships, grants, work-study, and loans for education.

Visit [CollegeAnswer.com/FAQ](http://CollegeAnswer.com/FAQ) for the answers!

## HIGH SCHOOL SENIOR TIMELINE cont.

### FEBRUARY/MARCH

- College decisions start arriving.
- Watch for your SAR. When it arrives, carefully examine the results.
- Don't panic if you're selected for verification. Just provide the college with the required documentation.
- Stay on top of important financial aid deadlines.
- Respond quickly to college requests for additional paper work.

### APRIL

- College acceptance and financial award letters arrive.
- Use **College Answer's Online Award Analyzer** to compare financial aid packages.
- Make your college selection and mail your tuition deposit. Notify other colleges that you won't be attending.
- Register for Advanced Placement (AP) tests, if necessary.
- Mark important deadlines on your calendar (housing, meals, transportation, financial aid, etc.).
- Look for a summer job or internship.

### MAY

- Send your final transcripts.
- Quickly respond to requests and return all necessary forms.
- Notify the financial aid office (FAO) of scholarships and loans you'll be receiving.
- Evaluate lenders for your student loans. It's a good idea to stay with one lender throughout college.
- Contact the college FAO when you have questions.

### SUMMER

- Still need money for college? Complete necessary loan application(s).
- Review **College Answer's College Advice for Students page** and pick up a few freshman tips.
- Attend orientation.
- Complete outstanding college financial aid forms.
- Contact your roommate to coordinate what to bring.
- Pre-register for classes.
- Open a bank account on or near campus.
- Finalize college meal, transportation, and housing plans.
- Send thank you notes to individuals who helped you get into college.
- Download **College Answer's Packing for College Checklist**.