



Paying for College 101:

Understanding Financial Aid Award Packages & Financing Options

Presented by:

Rich Neilsen

Education Loan Program Manager
The NHHEAF Network Organizations



1.888.747.2382, x119 • nhheaf.org • collegeplanning@nhheaf.org



Calculating YOUR Bottom Line

• Start with: Cost of Attendance	\$32,140
– Billable expenses (Tuition, Fees, R & B)	+ \$13,026
	\$45,166
• Subtract: All grants	- \$1,000
• Subtract: All scholarships	- \$16,000
	- \$2,000
• Subtract: Federal Student Loans	- \$3,500
	- \$2,000
• Bottom Line: Total amount family needs to either pay up front OR finance for ONE year	\$20,666

Additional Options for Managing Costs

- Savings or 529 College Savings
- Current Cash and Income
- Tuition Payment Plans
- Direct PLUS Loans (Parent Loan for Undergrad Student)
- Private Loans

Help Manage the Costs:

- Explore schools that are affordable for your family
- Consider applying to be an Resident Assistant (RA) – if hired, you will receive money towards room and board

Check out:

NHTransfer.org or DualNH

You can start at a NH community college
then transfer to a NH 4-year college



Federal/Direct PLUS Loan

- **Who's name is on the loan:**
 - In parent's name for life of loan
- **Interest Rate:**
 - Fixed interest rate of 7.59%
 - 4.248% origination fee
- **Repayment:**
 - 10 year repayment; payments *can* be deferred while student is enrolled at least half-time as an undergraduate
- **Pre-payment:**
 - No pre-payment penalties
- **Accruing Interest:**
 - Will accrue interest while student is in school
- **Deferment & Forbearance**
 - Options available

Private Student Loan

- **Who's name is on the loan:**
 - In student's name with a creditworthy co-signer
 - Some offer a co-signer release
- **Interest Rate:**
 - Fixed or variable interest rate based on co-signer's credit score
- **Repayment:**
 - 10-20 year repayment; payments *may or may not* be deferred while student is enrolled at least half-time as an undergraduate
- **Pre-payment:**
 - Possible pre-payment penalties (must check)
- **Accruing Interest:**
 - Will accrue interest while student is in school
- **Deferment & Forbearance**
 - Very limited options available

What if We Don't Qualify for Loans?

- If parents do not qualify for a PLUS loan there are two options (you may only choose one of these options):
 1. A parent can get an “endorser” to act as a “co-signer” for the parent, so they can then take the PLUS Loan
 2. The student can qualify for additional unsubsidized Direct Federal Student Loans
 - *\$4,000 per year* for first and second years of undergraduate study
 - *\$5,000 per year* for remaining years of undergraduate study
- If a parent is not a “credit-worthy” co-signer for a private student loan, other family or friends can act as a co-signer

Calculating 4 Years of Repayment

	Year ONE you need to borrow...	Your FOUR year total borrowed will be....	Your MONTHLY payment for 15 years will be...
Scenario One	\$5,000	\$20,000	\$186
Scenario Two	\$10,000	\$40,000	\$373
Scenario Three	\$15,000	\$60,000	\$559
Scenario Four	\$20,000	\$80,000	\$746
Scenario Five	\$25,000	\$100,000	\$932

*Based on Federal Direct PLUS Loan 7.59% interest with a 15 year repayment term – Amounts DO NOT INCLUDE the student's Federal Direct Loan amounts

REMEMBER: College is a multi-year investment and the amount owed needs to be multiplied by the number of years in college.



General Questions

Q. Do I have to pay my admission deposit before I return my award letter?

Q. When will I receive a bill from the college?

Q. What can I expect in terms of financial aid in future years?

Q. Can I borrow for more than the direct cost of school (i.e. books, supplies, etc.)?

Q. Can I negotiate an award letter for a better offer?

Q. If I win private scholarships, how does that affect my financial aid?

Questions?

The NHHEAF Network Organizations'
Center for College Planning
1.888.747.2382 x119
nhheaf.org
collegeplanning@nhheaf.org

