



Financing Options

Congratulations on your college acceptance letters. It is now time to analyze the Award Letters before making your final decision by May 1. Which college has offered more grant and scholarship aid? How much will you need to finance? Or, in other words, what are your options to cover the cost of attendance at the school of your choice? In this issue, we will cover financing options that you and your family may consider when deciding how you can afford to go to your first choice college. Ultimately, you may discover that using a combination of funding sources is the best way to manage the expense.

Utilize Student Savings

As your senior year winds down, make a concerted effort to save as much as possible from your part-time or summer employment. These savings can be used to purchase books, supplies and class materials. You may also need money during your first week of school to pay for parking passes, dorm essentials and phone and cable set-up. If you are able to save a considerable amount of money this summer, you can either use this for spending money throughout the semester, or use it to help pay a portion of the tuition costs. Remember, any portion you pay now decreases the amount that you may need to borrow later. If you have questions about how much money you may need for the first few weeks of school, contact the school directly and ask what extra fees and costs you may need.

Tuition Payment Plans

Ask the college's financial aid office about participating in a tuition payment plan. This plan provides you with the ability to make monthly payments directly to the college, interest free. While there is usually a minimal set-up charge, this option is helpful to students and families who are able to manage additional monthly costs and would like to spread these costs throughout the year. A typical payment plan schedule begins in August and continues through May. Families are able to set the amount of the tuition payment plan to a monthly payment that works for their budget.

Federal Student Stafford/Direct Loans

By filing the FAFSA (Free Application for Federal Student Aid), every freshman is eligible for \$5,500 in a Federal Stafford/Direct loan. This loan is typically included in the college's award letter. The student still needs to notify the college that he/she wants to accept this loan. While this amount may seem minimal, remember that the student's eligibility increases each year and by graduation, he/she could have a considerable amount in Subsidized Stafford/Direct Loans. There are two types of Stafford/Direct loans: **Subsidized** and **Unsubsidized**. **Subsidized** portions have interest paid by the government while the student is in school and a fixed interest rate of 5.6%. **Unsubsidized** portions have interest accruing over the full life of the loan and a fixed interest rate of 6.8%. For more details, [click here](#).

Center for College Planning at the NHHEAF Network Organizations

The Center for College Planning at the **NHHEAF Network Organizations** is dedicated to providing students and families with valuable information about the college planning process--from savings options and college admissions requirements, to applying for financial aid and scholarships. We serve all student populations: traditional, continuing education, graduate and adult learner. We offer college planning materials and coordinate speakers for schools, businesses and community organizations free of charge. We provide dynamic small group workshops in our Concord, New Hampshire office. We also provide a toll free college planning hotline and comprehensive Web site. Our goal is to promote higher education as the means to achieving personal, career and life goals.

The NHHEAF Network Organizations

The NHHEAF Network Organizations are comprised of four independent nonprofit organizations dedicated to streamlining the student loan process:

New Hampshire Higher Education Assistance Foundation (NHHEAF) guarantees, originates and disburses your loan.

New Hampshire Higher Education Loan Corporation (NHHELCO) funds your loan.

Granite State Management & Resources (GSM&R) services your loan.

NHHEAF Network Educational Foundation (NNEF) administers charitable giving.



The NHHEAF Network Organizations
Center for College Planning
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This product has been granted the Seal of Approval from the National Association for College Admission Counseling.

Federal Parent PLUS Loan

The Federal PLUS loan is taken solely in a parent's name for the benefit of the student. A parent can apply for the amount needed to cover the gap between the cost of attendance (COA) and the financial aid awarded. For example, if the COA is \$20,000 and the student is awarded \$9,000 in a financial aid, the parent can apply for an \$11,000 Federal PLUS loan. These loan payments traditionally begin 60 days after the second disbursement, usually in February of the student's freshman year; however parents may defer payments while the benefitting student is enrolled at least half-time and for an additional six months after the benefitting student ceases to be enrolled at least half-time. They continue for a standard 10-year term. As of July 1, 2006 the interest rate is fixed at 8.5% for FFELP PLUS Loans and 7.9% for Direct PLUS Loans (Your school will determine whether you take out a FFELP or Direct PLUS loan).

Private or Alternative Loan Options

If a student needs additional funding above and beyond what is offered in the award letter, private or alternative loans are one option. But, the Center for College Planning always recommends accepting the Stafford/Direct Loan for \$5,500 before considering a private loan. When evaluating private loans, here are some questions to consider:



- Origination and Repayment Fees
- Repayment Options (When does repayment begin? Does interest accrue while the student is in-school or are they required to pay it?)
- Interest Rate (How high can I expect this rate to go?)
- Annual Limits (How do they determine the amount you can borrow?)
- Co-Borrower (Is a Co-Borrower required? Do they evaluate the Co-Borrower based on debt-to-income ratio or credit history?)
- Benefits

For assistance in finding a private loan provider, contact your Financial Aid Office.

FYI: We're Here for You...on the Web too!

Counselors at the Center for College Planning are available to help you better understand your financing options. Please call 888-7-GRADUATE x119 to schedule an appointment at our Concord office. Our counselors can provide you with the resources and information to help you make appropriate funding decisions. Also, take advantage of our webinars.

Learn about costs and funding and understanding financial aid packages all from the comfort of home. [Click here](#) to sign up for one of our May webinars.

Borrowing from Retirement Plans

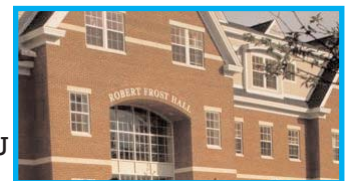
Many families look to this as an option. Borrowing from retirement plans can be an attractive option if you are able to borrow penalty-free. We encourage you to remember that while your student's education is very important to their future; your retirement plan is YOUR future. You can borrow for college, you can't borrow for retirement. Carefully weigh the pros and cons to balance future financial well-being with current obligations.

Did you Know?

Campus Highlight

Campus Spotlight: Save 60% on Tuition at SNHU

Southern New Hampshire University's Advantage Programs offers students ages 18-22 a chance to earn an associate's degree in two years without paying full-time tuition. For students not ready or able to attend a traditional full-time undergraduate day program, SNHU offers core courses that strengthen your academic record and earn credits that can be applied toward a bachelor's degree for only \$10,000. The Advantage Program is offered at Nashua, Salem and Seacoast locations beginning in the fall 2009 session. Interested in a no-frills education at a lower cost? Visit www.snhu.edu for more details.



Higher Education Incentives

And you thought paying high priced tuition costs and borrowing with student loans came without any perks? Families and students should visit www.irs.gov to find out about:

- Hope Scholarship Tax Credit
- Tuition and Fees Deduction
- Lifetime Learning Credit
- Student Loan Interest Deduction

* Credit (Note: The Hope Credit will be replaced with the American Opportunity Tax Credit for 2009 and 2010.)

News Around the Nation

The Department's National Center for Education Statistics (NCES) recently released initial results from the 2008 National Postsecondary Student Aid Study.

This study supplies the most comprehensive and up-to-date look at postsecondary student characteristics and student financial aid for the 2007-08 school year. Some findings:

- Almost two-thirds (66%) of all undergraduates received some type of financial aid. For those receiving such aid, the total average amount was \$9,100.
- 52% of all undergraduates received grant aid, and more than one-third (38%) obtained student loans. The average grant amount was \$4,900, and the average loan amount was \$7,100.
- 47% of all undergraduates received some type of federal student aid. About one-fourth (28%) received an average of \$2,800 in federal Pell Grants, and more than one-third (35%) obtained an average of \$5,100 in federal student loans.
- Among undergraduates financially dependent on their parents, 28% came from families with incomes under \$40,000, and another 28% came from families with incomes of \$100,000 or more.
- Nearly three-fourths (74%) of all graduate students received some type of financial aid, with an average amount of \$17,600.

Coming Soon: Look for NHHEAF on Facebook or follow us on Twitter!

Ask Joe College

Don't forget to stop by the [Ask Joe College blog](#) to check in with Rich to see what topic he's covering this week. Does Facebook really have an impact on your GPA? Put your two cents in! Don't forget to welcome Lauryn, a local high school junior, interning at NHHEAF and sharing her experiences with the college search in her [Life with Lauryn](#) blog.



Upcoming:

**May: Congratulations
on Your Decision!**

May 1st is the national candidate reply date for college admissions. By the time you receive your next Dean's List, you will have already selected a campus to attend. Good luck with your decision!

The NHHEAF Network Organizations are comprised of four 501(c)(3) nonprofit organizations that provide students and families with the resources and funding to pursue higher education aspirations. Funds generated by the Organizations make their charitable mission possible as student loan earnings are reinvested in programs and services that benefit citizens of New Hampshire. For more information, visit www.nhheaf.org.