



THE DEAN'S LIST

Center for College Planning

March 2009

Your guide to college planning

Award Letters

In a few short weeks you will receive acceptance letters from colleges and universities inviting you to campus in the fall. You will also be receiving your financial aid packages, also known as Award Letters or Award Notifications. Now what? What do all of these numbers mean? While it's a great accomplishment to get accepted into the colleges of your choice, you must now understand the financial aid which will help you and your family afford the bill.

One of the first challenges is to understand the terms and language financial aid offices use. Below is a list of key terms that will help you understand what the college has offered you and better comprehend the terms of the package.

Key Terms

Award Letter: The way in which a college's financial aid office assigns a specific fund or group of funds to an individual student. An award letter may include a variety of different grants, scholarships, loans or work-study. It's important to understand that award packages will differ from college to college based on different resources and the family's need level at each campus.

Electronic Award Notification: While many schools still send a paper award letter via the mail, some colleges invite you to go online to view your award. For example, Plymouth State University issues all of their award letters online. Whether your colleges provide paper or electronic awards, students can always view their offer online at the college's Web site.

Expected Family Contribution (EFC): The amount of the money the student and the parent is expected to contribute to the student's education this academic year. The Department of Education calculates how much they feel your family can afford to pay for school next year. The EFC is determined by family size, number of family members in school, income and assets. The difference between the Cost of Attendance and the EFC is the student's financial need, and is used in determining the student's eligibility for need-based financial aid. *Remember that many colleges won't be able to meet full need, so students and parents should be aware that they will likely pay more than the EFC.*

Federal Stafford/Direct Loans: These loans will be in the student's name only. The undergraduate limits are \$5,500 during freshman year, \$6,500 during sophomore year, and \$7,500 during the third, fourth and fifth years. 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% for loans taken after July 1, 2008.

Unsubsidized portions have interest accruing over the full life of the loan and a fixed interest rate of 6.8%.

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 Work-Study: This program provides undergraduate students with part-time employment during the school year. Eligibility is based on need. Money earned is not credited to the tuition bill, and is not counted as income for the subsequent year's needs analysis process.

Federal Parent PLUS Loans: Federal loans available to parents of dependent undergraduate students to help finance the cost of education. Parents may borrow up to the full cost of their children's education, less the amount of any other financial aid received. The current interest rate is 8.5% fixed. Parents must pass a credit review. If denied, the student may be eligible for additional money in an Unsubsidized Stafford/Direct Loan Program.

Pell Grant and Supplemental Education Opportunity Grant (SEOG): Federal grant programs awarded to students with exceptional financial need. Award is based on Cost of Attendance, Expected Family Contribution and enrollment status.

Academic Competitiveness Grant (ACG): Federal grant program awarded to first and second year students who are Pell Grant eligible. First academic year students must have graduated after January 1, 2006 and completed a rigorous secondary school program of study. Second academic year students must have graduated after January 1, 2005 and have at least a 3.0 cumulative GPA.

Perkins Loan: These federal loans are awarded by the college to students with exceptional need. They are in the student's name only and have the lowest interest rate available (fixed at 5%). The interest is subsidized while the student is in school.

Verification: A review process in which the financial aid office requests supporting documentation related to income and assets. Colleges are required by the federal government to verify at least thirty percent of all applications and many private colleges verify all of their applications. So, students and parents should not be surprised if they receive a request for more information.

Financial Aid Award Worksheet

Use the Financial Aid Award sheet to help you break down the offers of financial aid you have received. **Click the image** to print a full page copy.

Financial Aid Award Worksheet

HOW MUCH WILL COLLEGE COST? Write in the Total Cost of Attendance for each college for the coming year. The Total Cost of Attendance includes tuition and fees, room and board if living on campus, books, transportation and all other expenses needed for the year.

	Sample A	Sample B	School #1	School #2	School #3
College Name	College #1	College #2			
Total Cost of Attendance	\$ 20,000	40,000			

WHAT IS OFFERED? List all of the financial aid offered. Separate grants and scholarships from loans.

Federal Pell Grant	\$ 2,000	5,350			
NH Incentive Grant	\$ 1,000	1,000			
Federal SEOG Grant	\$ 1,000	2,000			
Federal Academic Competitiveness Grant (ACG)	\$ 750	750			
College Grants/Scholarships	\$ 3,500	15,000			
Private Scholarships	\$ 1,000	1,000			
A. Total Grants & Scholarships =	\$ 9,250	25,100			
Federal Subsidized Stafford Loan	\$ 3,500	3,500			
Federal Unsubsidized Stafford Loan	\$ 2,000	2,000			
Federal Perkins Loan	\$ 2,000	2,000			
Subtotal Loans =	\$ 7,500	7,500			
Subtract Loan Fees* from the Loan Subtotal	\$ (150)	(150)			
B. Total Loans =	\$ 7,350	7,350			
Total Cost of Education	\$ 20,000	40,000			
Subtract Total Grants and Scholarships from Line A (ACG)	\$ 9,250	25,100			
Total	\$ 10,750	14,900			
Subtract Total Loans from Line B	\$ 7,350	7,350			
Total Amount Due to School	\$ 3,400	7,550			

WHAT DOES THIS REALLY MEAN? Now that you have determined the amount of money that the student needs in order to attend each school for one year, let's look at ways to help pay the difference.

Total Amount Due to School	\$ 3,400	7,550			
Work Study Amount Student Can Earn	\$ 1,500	1,500			
Tuition Payment Plan	\$				
PLUS Loan	\$				
Private Loan	\$				
Subtract Total Payment Methods from Amount Due to School	\$				

- this worksheet is for demonstration purposes only -

If a student is awarded work study, know that the amount will not be taken off the total bill. It is money that needs to be earned which the student will receive as a paycheck.

* estimated .5% origination fees and 1% default fees for Federal Stafford Loans, for a total of 1.5% in fees; parent PLUS loans carry a 3% origination fee and a 1% default fee.

What Does the Term **Cost of Attendance** Really Mean?

When the college provides the COA, they are including tuition & fees, room and board, books, travel expenses and personal expenditures in that figure. The Cost of Attendance can be broken down into two types of costs: Billable and Non-Billable. The Billable Costs include: tuition, fees, room and board. These costs are paid for through gift money (grants and scholarships) and loans. The Non-Billable Costs include books, supplies, transportation and miscellaneous expenses. These costs are generally paid for by student earnings or savings (work study and/or summer earnings).



Questions to Ask Your Financial Aid Office

- Are there any costs not accounted for in the cost of attendance? (For example, some majors may require extra materials/books.)
- What are the terms and conditions of the aid in the award package? (i.e. treatment of outside scholarships, loan repayment policies, renewal criteria, etc)
- How will my aid package change from year to year? Will loan amounts increase? What impact will cost increases have on the aid package? What will happen if my financial situation changes?
- If the financial aid award package is insufficient for me to attend the desired institution, under what conditions, if any, will the financial aid office reconsider?
- When can my family expect to receive college bills? How many times will I be billed? Do you offer a tuition payment plan?
- How are work-study jobs assigned? How many hours per week will I be allowed to work?
- How much money should I have for the first week of college to cover costs for books, parking registration, phone and cable set-up? (Much of this money is due before the student receives his/her first paycheck from a work-study job.)

Utilize Resources in New Hampshire - Do you still have questions about your Award Letter? Let us help you:

1. Print a copy of our "Not Just The Bottom Line: Understanding Your Award Letter" brochure by calling (800)525-2577, ext. 119 or by e-mailing collegeplanning@nhheaf.org.
2. Check with your Guidance Office to see if a representative from the Center for College Planning will be presenting "Understanding the Award Letter" seminar at your school.
3. Sign up to attend either of our "Understanding The Award Letter" **webinars**:
 - a. Wednesday, March 25th from 6 to 7:30 p.m. EST
 - b. Thursday, April 23rd from 6 to 7:30 p.m. EST

We can provide information about the various funding options to assist you in your effort to meet the unmet need. Whether you need to apply for the Federal Stafford Loan, or you would like to discuss other options such as parent loans, alternative student loans or outside scholarship opportunities, these resources and information will help you make appropriate funding decisions. The New Hampshire Higher Education Loan Corporation has many helpful loan products and excellent services, including Stafford and PLUS Loans. Visit www.nhheaf.org for further information on loan products and college funding calculators.

News Around the Nation

Voice Your Support!

Please take a moment to read these thoughts from the President and CEO of NHHEAF to find out how the 2010 Federal Budget could impact NH students.

President Obama has released his **2010 Federal Budget**, which contains a proposal calling for the elimination of the Federal Family Education Loan Program (FFELP).

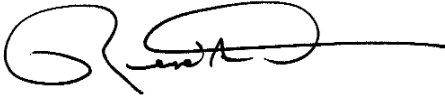
Higher education is clearly a priority for his administration. We understand President Obama's intentions in supporting increased funding for the neediest students to attend college. In fact, we wholeheartedly share this goal. After all, our organization has been supporting the college goals of students and parents for over 46 years. However, we believe that all things considered New Hampshire is far better served by our local FFELP agency than a big government contractor through Direct Lending.

If you believe that New Hampshire students and parents benefit from having a local, nonprofit agency supporting the student loan program and providing free college outreach programming, I encourage you to **contact your congressional representatives and senators** letting them know you feel the FFELP program is important.

- Perhaps you are a borrower who has experienced first hand the difference it makes when a caring and knowledgeable staff member is there to help you through a difficult time?
- Maybe you are a student who attended the statewide annual Destination College event during your **junior year of high school?**
- Were you a parent who benefited from one-on-one assistance in filing the FAFSA?
- Are you a school counselor or educator who has utilized the resources of the Center for College Planning and feels that New Hampshire cannot afford to lose these value-added services?

We hope for as many voices and perspectives as possible. Voice your support today!

Sincerely,



René A. Drouin
President & CEO
The NHHEAF Network Organizations

Campus Spotlight

Did You Know?

In an effort to make earning a college degree as seamless as possible, the University System of New Hampshire and the Community College System of New Hampshire have partnered to launch NH Transfer. NH Transfer is an online database that will help give students a clear understanding of how courses transfer among participating institutions. Access to this information could reduce the number of courses needed to earn a degree in turn saving time and money. This updated online database, currently available, can be accessed at **www.NHTransfer.org**. It provides a current profile of the transfer credit practices among the seven community colleges, the four USNH institutions (University of New Hampshire, Plymouth State University, Keene State College, and Granite State College), and two private institutions (Southern New Hampshire State University and Franklin Pierce University).

Ask Joe College Blog

Be sure to check out our blog for even more ideas and information on planning and paying for college. Check out Rich's latest blog entries [here](#).



Upcoming:

April: Funding Options

Your next CCP E-News will be sent in April. As students and parents compare Award Letters in an effort to make their ultimate college selection, we will discuss various funding options to help in your decision process.

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.