



## Award Letters

With only one semester of high school left, the countdown to college is on! Acceptance letters from admissions offices are arriving, or have arrived, in your mailbox/inbox. Financial aid award letters or online award notifications, are also on their way. Once you have received award letters from each of the schools you've applied to, it is time to sit down with your family to analyze what each school is offering you in financial aid to attend their institution.

As you review the award letter, most families are thrilled when they see that the college or university has offered scholarships and grant funds, which are considered gift aid, and require no repayment. Check however, to see if there are any obligations or requirements for continued receipt of the gift aid. Such requirements might include participation in an activity, maintaining a particular grade point average or studying in a certain program. You should also ask the financial aid office, "Is this scholarship/grant renewable?"

You may also be eligible for federal grant programs, like the Pell grant or the Academic Competitiveness Grant (ACG), that also fall under the category of gift aid, requiring no repayment. Your award letter may offer self-help aid in the form of Federal Stafford loans or Federal Work-Study programs. One of the first challenges is to understand the terms and language the financial aid offices use. For details on these and other programs, keep reading!

### What is included in the Cost of Attendance?

The college will include tuition & fees, room and board, books, travel expenses and personal expenditures in their annual Cost of Attendance (COA). 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).

### How do the award letters stack up? Calculate!

Comparing what schools have offered and which school's offer best fits your needs is an important process. Students and parents are encouraged to look at the numbers together and consider how student loans may impact you after you graduate college. You may need to discuss how your family will meet any financial obligations not covered by financial aid awards or whether or not your parents are willing to take out a loan in their own names. The worksheet offered on the next page is a great resource for laying out your options visually to help you get a clearer idea of your choices. The Award Letter Evaluator calculator, an electronic version of the worksheet, is also available online. [Click here](#) to access the calculator.

## 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.



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## Financial Aid Award Worksheet

Use the Financial Aid Award Worksheet to help you break down the offers of financial aid you have received. **A printable version is on the next page.**

# 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		<i>College #1</i>	<i>College #2</i>			
Total Cost of Attendance	\$	<i>20,000</i>	<i>40,000</i>			

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

Federal Pell Grant	\$	<i>2,000</i>	<i>5,350</i>			
NH Incentive Grant	\$	<i>1,000</i>	<i>1,000</i>			
Federal SEOG Grant	\$	<i>1,000</i>	<i>2,000</i>			
Federal Academic Competitiveness Grant (ACG)	\$	<i>750</i>	<i>750</i>			
College Grants/Scholarships	\$	<i>3,500</i>	<i>15,000</i>			
Private Scholarships	\$	<i>1,000</i>	<i>1,000</i>			
<b>A. Total Grants &amp; Scholarships =</b>	\$	<i>9,250</i>	<i>25,100</i>			

Federal Subsidized Student Loan	\$	<i>3,500</i>	<i>3,500</i>			
Federal Unsubsidized Student Loan	\$	<i>2,000</i>	<i>2,000</i>			
Federal Perkins Loan	\$	<i>2,000</i>	<i>2,000</i>			
<b>Subtotal Loans =</b>	\$	<i>7,500</i>	<i>7,500</i>			
<b>Subtract Loan Fees* from the Loan Subtotal</b>	\$	<i>(55)</i>	<i>(55)</i>			
<b>B. Total Loans =</b>	\$	<i>7,445</i>	<i>7,445</i>			

Total Cost of Education	\$	<i>20,000</i>	<i>40,000</i>			
<b>Subtract Total Grants and Scholarships from Line A</b>	\$	<i>9,250</i>	<i>25,100</i>			
<b>Total</b>	\$	<i>10,750</i>	<i>14,900</i>			
<b>Subtract Total Loans from Line B</b>	\$	<i>7,445</i>	<i>7,445</i>			
<b>Total Amount Due to School</b>	\$	<i>3,305</i>	<i>7,455</i>			

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	\$	<i>3,305</i>	<i>7,455</i>			
Work Study Amount Student Can Earn	\$	<i>1,500</i>	<i>1,500</i>			
Tuition Payment Plan	\$					
Federal Parent PLUS Loan	\$					
Private Loan	\$					
<b>Subtract Total Payment Methods from Amount Due to School</b>	\$					

~ 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 1% default fees for Federal Stafford Loans, Parent PLUS loans carry a 3% origination fee and a 1% default fee.

## Key Terms

**Below is a list of key terms that will help you understand the language of your award letter.**

**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 some schools still send a paper award letter via the mail, many 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.

**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; many private colleges verify 100% of their applications. Do not be alarmed if you are asked to provide documentation for information you may have submitted as part of the financial aid process.

## Undergraduate Federal Aid Programs

**Federal Stafford/Direct Stafford 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 Federal Stafford/Direct Stafford loans: Subsidized and Unsubsidized. Subsidized portions have interest paid by the government while the student is in school and a fixed interest rate of 4.5% for loans taken after July 1, 2010. Unsubsidized portions have interest accruing over the full life of the loan and a fixed interest rate of 6.8%. No payments are required until six months after the student is no longer enrolled at least half-time.

**Federal Work-Study:** This program provides undergraduate students with part-time employment in a campus-based job during the school year. Eligibility is based on need. Money earned is not credited to the tuition bill but rather earned by the student through a paycheck as the hours are worked. (A tip: if you are awarded federal work-study, you will want to locate the job board once you arrive on campus to view available opportunities!)

**Federal Parent PLUS/Direct Parent PLUS Loans:** These are 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 for a Federal Parent PLUS loan; 7.9% for a Direct Parent PLUS Loan. Parents must pass a basic credit check. If the parent is denied for a parent PLUS loan, the student may be eligible for additional money in an Unsubsidized Federal Stafford/Direct Loan Program. Payment on a PLUS loan begins after the loan has been fully disbursed to the school (usually in the Spring), but can be deferred while the student is enrolled at least half-time and for six months after they are no longer enrolled at least half-time.

**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. Currently the annual award limits on the Pell Grant and SEOG are \$5,350 and \$4,000 respectively.

**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. No payments are required until nine months after the student is no longer enrolled at least half-time.

Whichever financial aid offer you choose, it is important to have a clear understanding of which awards are considered gift aid and which awards require repayment. It is also important to understand the interest rates and repayment terms of any student loans you choose accept as these loans will have an immediate impact on your financial situation when you graduate college.

# 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?
- Can I appeal my financial aid award?
- 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? Do I need to find the job myself? 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.)

## Questions About the Award Letter? Let Us Help You!

The Center for College Planning can help in understanding your award letters. Check with your school's guidance office to see if a NHHEAF representative is scheduled to give the Award Letter Seminar at your school. Students and parents may also participate in our Understanding the Award Letter webinar offered live online April 13, from 6 - 7:30pm. During the webinar, participants are able to ask questions and get answers in real time. [Register](#) for the Understanding the Award Letter webinar today!

## News Around the Nation

### Auf Wiedersehen?

Despite some evidence of recovery, colleges across the nation are still tasked with finding ways to cut costs in this difficult economy. Colleges have been making difficult decisions in terms of which programs to scale back or cut out entirely. Many colleges have begun to rethink the place of German in college offerings. Considering the numbers of students enrolled in German programs is relatively small from campus to campus, the language is in danger of disappearing from many campuses nationwide. Washington State University plans to eliminate German as a major and The University of Idaho also plans to eliminate the German major and the masters of arts in teaching German option. The University of Arkansas and Florida State University are among many schools that are looking into cutting back or cancelling programs depending on funding available for the next academic year.

## Campus Spotlight

### Did You Know?

#### Dartmouth Responds to Quake

The recent earthquake in Haiti and its devastating aftermath called to action many Americans in the name of service. College students were not left out of this philanthropic response to the relief effort in Haiti. College students around the nation mobilized to create support and relief through volunteerism and fundraising. Dartmouth College, through the efforts of committed students, was able to begin helping within days of the massive quake. Students quickly rallied to form Students at Dartmouth for Haiti Relief (SDHR) and began fundraising for the group Partners in Health. The group has raised closed to \$200,000 and continues to fundraise; setting even higher goals in the hopes of offering some relief to the people of Haiti. Dartmouth College President, Dr. Jim Yong Kim, also announced recently that the college would accept undergraduate and graduate students displaced by the January quake. Dr Kim expects that members of the Dartmouth community would accept the students into their homes as they did for students affected by Hurricane Katrina in 2005.

## Scholarship Corner:



Each year the New Hampshire Charitable Foundation distributes more than \$3 million in student aid and loans. These financial awards defray academic costs and help students reach their educational goals.

The Foundation administers more than 350 separate funds - established by individuals, families, organizations, and businesses - to provide scholarships for education beyond high school. The Foundation's Statewide Student Aid Program offers you the ability to submit one scholarship application that will allow you to be considered for any of the 350 scholarships. The deadline for applying is Thursday, 4/15/10. Find the application [here](#).

### College Tip of the Month:

Once you have chosen a college, do some research on the banks or credit unions in the area and see what special offers they have for college students. Look to see if they have an ATM on campus!



*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](http://www.nhheaf.org).*