



February/March 2009

Spring is in the air, and it can be an exciting time of year for many high school students as offers of college admission roll in. Your seniors are also starting to receive their financial aid award letters, which can cause stress and anxiety for many students and their families.

One of the first challenges for students and parents is to understand the terms and language financial aid offices use. Below is a review of key terms that will help them to understand what the college has offered 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 some schools will still send a paper award letter via the mail, most colleges are moving toward electronic notification. For example, Plymouth State University issues all of their award letters online.

**Expected Family Contribution (EFC):** The amount of the money the student and parent are expected to contribute to the student's education for one academic year. The Department of Education calculates how much they feel the student's family can afford to pay for school next year after reviewing the completed FAFSA form required for all students who wish to be considered for federal grants and loans. The EFC is determined by the age of the eldest parent, 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.

**Federal Stafford/Direct Loans:** These loans will be in the student's name only. For the high school class of 2009, 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. **Unsubsidized** portions have interest accruing over the full life of the loan. Both types of student loans have 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  
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This product has been granted the Seal of Approval from the National Association for College Admission Counseling.

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

**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:** These federal loans are 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 interest rate is fixed at 8.5%. 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. The maximum award for the Pell is \$5,350 and \$4000 for the FSEOG.

**Academic Competitiveness Grant (ACG):** Federal grant program for first academic year students who have completed a rigorous secondary school program of study and have graduated from high school after January 1, 2006. The annual award limit is \$750. ACG grants are also available to second academic year students who have at least a 3.0 cumulative GPA. The annual award limit for second year students is \$1300.

**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.

## Other Resources for Your Students

### **Have you scheduled your Award Letter Seminar yet?**

This evening program helps high school seniors and their families understand and evaluate the financial aid packages and financing options available to them. A College Outreach Specialist will discuss such issues as: reporting outside scholarships, avoiding scholarship scams, writing special circumstance letters and different student and parent loan options. Attendees receive *Not Just The Bottom Line: A Guide to Understanding Your Financial Aid Award Letter*. Schedule your presentation today by [Clicking here](#).

### **Programs for 8th Graders**

As your 8th graders will be transitioning to high school in the fall, spring is a great time for our *Who Wants to be a College Graduate* program. Our 8th grade program is designed to get your students excited about college and to encourage them to begin thinking about how the courses they take in high school will prepare them for more opportunities after graduation. [Click here](#) to schedule your presentation.

### **New Hampshire Charitable Foundation**

A terrific resource for local scholarships is the New Hampshire Charitable Foundation. It represents one of the country's largest community foundations and the largest source of independent student aid in the state. The NHCF offers an online application portal requiring applicants to fill out only one application form to be eligible for most programs offered by the foundation. The deadline for all programs, unless otherwise noted, is April 15, 2009. While only New Hampshire residents are eligible to apply, recipients can take funding to out-of-state colleges. Contact their student aid office in Concord at (800) 464-6641 or visit them on the web at [www.nhcf.org](http://www.nhcf.org) to view 2009 scholarship opportunities.

### **Scholarship Opportunities for Your Former and Current Students**

Encourage them to apply for the College Equals Opportunity (CEO) Scholarship at [www.nhceo.biz](http://www.nhceo.biz). Also **New Hampshire Donuts Franchises** is offering \$25,000 in scholarship money. Open to any qualified New Hampshire student enrolling full-time at any post-secondary institution, this scholarship consists of 11 scholarship opportunities (10 scholarships at \$2000 each, 1 scholarship at \$5000 each). Applications are available from the New Hampshire Charitable Foundation website [www.nhcf.org](http://www.nhcf.org) by selecting "student aid" on the left-hand menu. Completed applications, including transcript, recommendations and financial information must be received at the **New Hampshire Charitable Foundation by 5 p.m. on March 20th, 2009.**

# SAVE THE DATES

## [Destination College for Juniors and Parents](#)

On March 28, 2009, families from Salem to Berlin will gather at Southern NH University in Manchester, NH for the tenth annual college convention for high school juniors and parents. All of the day's events are **FREE** to students and parents. This is their opportunity to enjoy a variety of workshops, a wonderful keynote speaker, participate in scholarship raffles and attend a college fair. Lunch will be provided. Visit [www.destinationcollege.com](http://www.destinationcollege.com) for more information or to register for the event. Counselors are encourage to attend!

## [SAT Spring Test Dates](#)

Spring is a great time for college-bound juniors to take their first crack at the SAT. Remind students to register at [collegeboard.com](http://collegeboard.com) before the registration deadlines to avoid fees. The spring testing dates are:

**May 2nd-Registration deadline is: 3/31/09 - June 6th-Registration deadline is: 5/05/09**

## [NEACAC College Fair](#)

The NEACAC spring college fair will be held on May 15 from 9am to 11am at the Northfield Activity Center at Franklin Pierce College.

## *Free College Summer Series*



### **Summer 2009**

The Center for College Planning has organized the College Summer Series for NH students, parents and school counselors. During June, July and August college admission professionals from schools in New England and beyond will be visiting Concord (at the NHHEAF Network offices) to spend time with YOU! Following a brief presentation about the school, families and counselors will have an opportunity to ask questions. Learn about: Campus Life, Admission Requirements, Housing, Financial Aid....And much more! stay tuned for more information.

## *Link to Us!*

Help your students on the path to college by linking to our main site at [www.nhheaf.org](http://www.nhheaf.org), [www.nh93.com](http://www.nh93.com) for scholarship opportunities and [www.destinationcollege.com](http://www.destinationcollege.com) to register for our signature event for high school juniors.

*Print This Helpful Reference Page  
That Details Options For Financing*



# Options for Financing

Below are descriptions of a few popular ways to finance college costs. It is important to note that most families use a combination of the following financing options to manage the total family share.

Type	Description
Tuition Payment Plans	<ul style="list-style-type: none"> <li>No interest payments</li> <li>Typically payments are divided over 8 - 12 months</li> <li>Helps to limit the need for borrowing by allowing families to pay college costs from current income</li> <li>Enrollment fee</li> <li>Financial aid office provides information about payment plans</li> </ul>
Federal Parent PLUS Loan	<ul style="list-style-type: none"> <li>Fixed interest rate of 8.5% for FFEL Plus Loans and 7.9% for Direct PLUS Loans</li> <li>10-year repayment typically begins after second disbursement; options available to defer payments while student is enrolled at least half time</li> <li>Pre-approval process, based on credit check</li> <li>Interest may be tax deductible</li> <li>Parent is solely responsible for loan</li> <li>Annual maximum is determined by the cost of education less any other aid</li> </ul>
Home Equity Line of Credit (HELOC)	<ul style="list-style-type: none"> <li>Revolving credit line, much like a credit card that is backed by the portion of the home value that the borrower owns outright</li> <li>Interest rates are most often variable and payments will vary depending on the interest rate and amount owed</li> <li>Do your research as certain fees may apply</li> <li>Interest may be tax deductible. Visit <a href="http://www.irs.gov">www.irs.gov</a> for more information</li> </ul>
Home Equity Loan	<ul style="list-style-type: none"> <li>A one-time lump sum loan based on the amount of equity a homeowner has in the property</li> <li>Usually features a fixed rate, payment and term</li> <li>Do your research as certain fees may apply</li> <li>Interest may be tax deductible. Visit <a href="http://www.irs.gov">www.irs.gov</a> for more information</li> </ul>
Private Student Loans	<ul style="list-style-type: none"> <li>A loan in the student's name</li> <li>Often there are deferred payments while in-school</li> <li>Often requires a creditworthy co-signer</li> <li>Eligibility is determined by a student's credit bureau score. FICO is used frequently. Visit <a href="http://www.myfico.com">www.myfico.com</a> for more information</li> <li>Applicant must compare rates, terms, repayment options, loan limits and fees</li> <li>Usually based on LIBOR or PRIME rates (common financial indexes, which are often used as base rates in lending)</li> </ul>

Be certain to check with your college financial aid office for specific information.

**REPAYMENT ESTIMATOR**  
standard 10-Year Repayment Plan

Loan Amount	Term (months)	Monthly Stafford Payment	Monthly PLUS Payment
\$5,500	120	\$61	\$68
\$10,500	120	\$117	\$130
\$19,000	120	\$211	\$236
\$23,000	120	\$255	\$285
\$35,000	120	\$389	\$434

Payments are rounded to whole dollars. Based on a maximum interest rate of 6.0% for Stafford and 8.5% for PLUS loans.

## CALCULATORS

<http://www.nhheaf.org/calcs.asp>

College Cost • College Savings • Expected Family Contribution • Borrower Benefits  
Consolidation Calculator • College Loan Repayment • FICO Score Estimator