

# NEWS FROM

## KHEAA–Alabama

100 North Union Street, Suite 390, Montgomery, AL 36104-3762

Phone: (334) 265-9720 Toll-free: (800) 721-9720

Fax: (334) 265-9750

### **Financial Aid Tip of the Month, October 2009**

#### **Avoid these common student financial aid mistakes**

When it comes to finding ways to pay for college, many parents and students may end up paying more than necessary because they didn't avoid some common mistakes. Follow these tips from KHEAA–Alabama to make sure you get all the help you need.

Believe it or not, many students miss out on money for college simply because they don't apply for it. Make sure you apply for every scholarship you can, because scholarships are free money you don't have to pay back. And even if you don't think you'll qualify for federal student aid programs, you should still submit the Free Application for Federal Student Aid, known as FAFSA. Many states and colleges use the information from the FAFSA to determine if you're eligible for other aid programs, so not filing may hurt your chances of getting more free money for college.

Another common mistake is waiting until the last minute to apply for financial aid. Some programs have deadlines, while others have limited funds. If you wait too late, you may miss out.

When you are accepted by a college, you'll get a financial aid package. Don't accept it without looking at it. If you've received offers from more than one school, compare the offers to see which one is the best deal. And remember that you may be able to negotiate a better package.

If you're going to need loans to help pay for college, be a good consumer. Not all lenders offer the same rates and benefits. Pay close attention to what lenders call the back-end benefits, the interest rate and principal reductions offered when you begin to repay the loan. That goes for both federal student loans and private loans.

Finally, remember that students are required to pay a larger percentage of their income and savings than parents are. The less money students have in their name, the better their chances of getting more financial aid.

For more information about financial aid and college planning, visit [www.alstudentaid.com](http://www.alstudentaid.com); write to KHEAA–Alabama, 100 North Union Street, Suite 390, Montgomery, AL 36104-3761; or call 334-265-9720, toll free 800-721-9720.