

# Planning Your Future

FOR JUNIORS



**YOUR GUIDE TO PLANNING AND PAYING FOR  
HIGHER EDUCATION IN ALABAMA**

# Introduction

If you're puzzled about how you'll pay for your higher education, you're not alone. Whether you're planning to go to a large university or a small technical school, you must consider what your education will cost and the sources of student aid that can help you pay your expenses. Because financial aid is available, it's important that you don't rule out a school based on cost alone.

Making the transition to higher education takes planning. KHEEA—Alabama hopes this brochure helps make the planning easier by providing some basic information about student financial aid.

After reading through this brochure, see if you can find eight types of financial aid hidden in the puzzle below!

## Types of Financial Aid

W V Q M T H Y A L A E S H Q S Q X S  
Y S N A O L N O I S R E V N O C E C  
D Z C K S Q S C Y R T N V N J O F H  
R M I L I T A R Y B E N E F I T S O  
S I Y K Z E T U E X E K A B W F Z L  
K N R D Z U C B W V A X J R W N K A  
E E P H U P T K Y Z I N S S G R J R  
H W N O I T I U T D I A P E R P F S  
E Z C P L Y S J F T Z P W F D P Y H  
K G V O U L L K G V N B E K M J U I  
P Z A H S D K L R M S A V H U O V P  
R N A V R X P I M O M Z S X V V I S  
S I T A K X C P P H W V E V Y O F M

- Conversion Loans
- Grants
- Loans
- Military Benefits
- Prepaid Tuition
- Scholarships
- Waivers
- Work-Study

# Financial Aid Questions and Answers

## Q: What are the types of financial aid?

A: Several types are listed below.

**Grants:** Gift assistance that normally doesn't have to be repaid. Grant awards are based on financial need.

**Scholarships:** Gift assistance based on skill, ability, talent or achievement. These are merit-based and do not have to be repaid.

**Waivers:** An arrangement offered by some schools to cancel specific costs for students who meet certain qualifications. For instance, if one of your parents was a firefighter killed or disabled in the line of duty in Alabama, some schools would grant you a waiver.

### Conversion scholarships/loans:

Scholarships which require the recipient to provide certain services for prescribed periods of time or pay back the money with interest.

**Work-study:** Part-time employment that lets students earn money for college by working either on or off campus.

**Loans:** Money borrowed to cover the cost of education which must be repaid.

**Military benefits:** Financial aid available to individuals (or to their dependents) who have performed military service or are preparing to enter the U.S. Armed Forces.

**Prepaid tuition:** Contract purchased to guarantee fully paid undergraduate tuition for a fixed number of credit hours at a participating college.

## Q: Who provides financial aid?

A: Schools, state and federal governments, and local organizations provide financial aid. However, you and your family have the primary responsibility for meeting educational expenses to the best of your ability.

## Q: How can I invest for college?

A: With Alabama's Higher Education 529 Fund, you can begin an saving for a child's college education with as little as \$25 a month investment. Qualified withdrawals are exempt from state and federal taxes. For more information, visit <http://www.collegecounts529.com/>.



## Q: How is financial aid awarded?

A: It's awarded on the basis of financial need (need-based) or on the basis of academic achievement, athletic ability, or other talents or abilities (merit-based). Most financial aid is need-based but is often awarded in combination with merit-based awards.

## Q: How do I apply?

A: The standard application for most state and federal financial aid programs is the Free Application for Federal Student Aid (FAFSA). You can file your FAFSA online at [www.fafsa.gov](http://www.fafsa.gov). Information that you provide on the FAFSA will be used to determine how much your family is expected to pay toward the cost of your higher education.

You should check with the school you plan to attend to find out whether additional application forms are needed. For example, Federal Stafford Loans and Federal PLUS Loans require separate applications in addition to the FAFSA.

## Q: When do I apply?

A: Early! File your FAFSA as soon as possible after January 1 of your senior year in high school, as soon as your family has its tax preparation data. Students who file early have the best chance of receiving financial aid for which they're eligible. Deadlines for financial aid programs vary. If you don't know the deadline, check with the financial aid office, your high school counselor or the contact for program information.

## Q: What does higher education cost?

A: It depends on what school you go to and the degree you're working on. Check with schools you want to attend to find out the latest costs and what kind of financial aid is available. You may find that it won't cost you any more to go to a high-priced school than a lower-priced school. But you won't know unless you ask. You can evaluate the costs of different schools by using the "Financial Aid Package Comparison" in the back of this book.

## Q: Where can I get more info about financial aid?



A: A chart of the major financial aid programs for Alabama students can be found on the following pages. Your counselor or the financial aid officer of a school you're interested in attending can provide more detailed information about these and other financial aid programs.

Check online for financial aid information at [www.alstudentaid.com](http://www.alstudentaid.com), the website of KHEAA-Alabama.



# Major Financial Aid Programs for Alabama Students

The chart provides general, at-a-glance information. For more details, see your guidance counselor or the financial aid officer at the school you plan to attend.

	Programs	General Eligibility	2011–2012 Award Amounts	Program Administrator	Application
<b>Grants</b> 	Alabama Student Assistance Program Grant	AL resident and undergraduate with financial need attending an eligible school at least half-time	From \$300 to \$5,000 each academic year	Alabama Commission on Higher Education	<a href="#">FAFSA</a>
	Alabama Student Grant	AL resident and undergraduate enrolled at an eligible in-state private school at least half-time	Up to \$1,200 each academic year	Alabama Commission on Higher Education	Contact the school's financial aid office
	Federal Pell Grant	Undergraduate with financial need and no Baccalaureate or higher degree	Set by federal government each year; maximum \$5,550	Participating colleges	<a href="#">FAFSA</a>
	Federal Supplemental Educational Opportunity Grant (FSEOG)	Undergraduate with no Baccalaureate or higher degree and exceptional financial need	Up to \$4,000 each academic year depending on need	Participating colleges	<a href="#">FAFSA</a>
	Iraq and Afghanistan Service Grant	Student who is not Pell-eligible; whose parent/guardian died as a result of military service in Iraq or Afghanistan after Sept. 11, 2001; under age 24 or enrolled at least part-time in college	Up to \$5,550 each year	Participating colleges	<a href="#">FAFSA</a>
<b>Scholarships</b> 	Alabama Indian Scholarship	AL resident with tribal roll card attending an AL school	Varies. Deadline is first Friday in March.	Alabama Indian Affairs Commission	Contact the Commission at 771 S. Lawrence St., Suite 106, Montgomery, AL 36130; Call (334) 242-2831; fax (334) 240-3408
	American Legion Auxiliary Scholarship	AL resident and child/grandchild of a WWI, WWII, Korea, Vietnam, Beirut, Grenada, Panama. Persian Gulf or Iraqi Freedom veteran	To be applied toward tuition, fees and room and board. Deadline is April 1.	American Legion Auxiliary	Send self-addressed stamped envelope to American Legion Auxiliary, 120 N. Jackson St., Montgomery, AL 36104
	American Legion Scholarship	AL resident who is the son, daughter, grandson or granddaughter of a war veteran	\$850, renewable yearly at participating schools. Deadline is April 1.	The American Legion	Send self-addressed, stamped envelope to Department Adjutant, The American Legion, P.O. Box 1069, Montgomery, AL 36102
	Two-Year Community College Athletic Scholarship	Full-time student with demonstrated athletic ability	Tuition and books	Alabama Community College System	Contact the school's financial aid office, coach or athletic director
	Two-Year College Institutional Scholarship	Student with demonstrated academic merit	In-state tuition	Alabama Community College System	Contact the school's financial aid office
<b>Conversion Scholarships/Waivers</b>	Federal TEACH Grant	Undergraduate/graduate student with 3.25 GPA, above 75% on undergrad or graduate admissions test. Must teach full-time for four years in a high-need field serving AL low-income students.	Up to \$4,000 a year for undergraduate student; up to \$8,000 for graduate student	Participating colleges	<a href="#">FAFSA</a>

	Programs	General Eligibility	2011–2012 Award Amounts	Program Administrator	Application
<b>Waivers</b>	Alabama Scholarship for Dependents of Blind Parents	Dependent of a blind AL resident who is head of household with financial need	Instructional fees, tuition and portion of textbooks	Alabama State Department of Rehabilitation Services	Call (256) 362-0638
	Police Officer's and Firefighter's Survivor's Educational Assistance Program	Dependent or spouse of AL police officer or firefighter killed in the line of duty in Alabama	Tuition, fees, books and supplies at an Alabama public college	Alabama Commission on Higher Education	Call (334) 242-2273
<b>Loans</b>	Federal Perkins Loan	Student with exceptional financial need	\$5,500 annual maximum for undergraduates	Participating colleges	<a href="#">FAFSA</a>
	Federal PLUS Loan	Graduate student or parent or stepparent of a dependent undergraduate student enrolled at least half-time in an eligible program at an eligible school	Contact the school's financial aid office (maximum amount equals cost of attendance minus all other financial aid)	U.S. Department of Education	<a href="#">FAFSA</a> and Master Promissory Note
	Federal Stafford Loan	Undergraduate, graduate or professional student enrolled at least half-time in an eligible program at an eligible school	Maximums for undergraduate: \$5,500–\$12,500; graduate or professional: \$20,500	U.S. Department of Education	<a href="#">FAFSA</a> and Master Promissory Note
	Nursing Student Loan	Nursing student with financial need enrolled at least half-time	Varies	Participating colleges	Contact the school's financial aid office
	Primary Care Loan	Medical school student with financial need	Varies	Participating colleges	Contact the school's financial aid office
<b>Work-Study</b>	Federal Work-Study Program (FWSP)	U.S. citizen or eligible noncitizen with financial need enrolled at an eligible school	At least the federal minimum wage (maximum amount equals cost of education minus all other financial aid)	Participating colleges	<a href="#">FAFSA</a>
<b>Military Benefits</b>	Alabama GI Dependent's Educational Benefit Program	Student at an AL public college who is the child, spouse or unremarried widow/widower of an eligible Alabama veteran	Tuition, instructional fees and book assistance	Alabama State Department of Veterans Affairs	Call (334) 242-5077 or contact any county veterans service officer, <a href="http://www.va.alabama.gov">www.va.alabama.gov</a>
	Alabama National Guard Educational Assistance Program	AL resident and active member in good standing with a federally recognized unit of the Alabama National Guard	Tuition, educational fees, books and supplies at an Alabama public college; limited to \$500 each term / \$1,000 each year	Alabama Commission on Higher Education	Contact any Alabama National Guard unit
	Reserve Officers Training Corps (ROTC) Scholarship	High school senior or graduate	Varies	Participating colleges	Contact the school you plan to attend
<b>National Service</b>	AmeriCorps	U.S. citizen or permanent resident alien age 17 or older who performs national community service before, during or after college	Up to \$4,725 for each year of service (maximum of two awards)	Corporation for National and Community Service	Call (800) 942-2677 or contact the Corporation for National and Community Service, 1201 New York Avenue, NW, Washington, DC 20525
<b>State Savings and Tuition Programs</b>	College Counts Alabama's 529 Fund	Family savings plan for a child's college education	State income tax deduction of up to \$5,000 (single filers) or \$10,000 (joint filers) for savings plan contributions	Alabama State Treasurer's Office	Call (866) 529-2228 <a href="http://www.collegecounts529.com">www.collegecounts529.com</a>



# The Top **10** tips for getting college aid

## 10. **Have your parents complete their tax forms early.**

Yours, too, if you file income taxes. You don't have to send it in right away, but you need the information to file the FAFSA, the form used to apply for financial aid from most major programs.

## 9. **Speaking of the FAFSA, submit it ASAP after January 1. Complete** and return the FAFSA early to have the best chance of getting the aid you qualify for. File online at [www.fafsa.gov](http://www.fafsa.gov).

## 8. **Make good grades.** You'll be eligible for more scholarships no matter where you decide to attend college.

## 7. **Retake your ACT/entrance exams to improve your score.** You could increase your cash for college.

## 6. **Talk with a college financial aid administrator.** He or she can tell you about any aid the school offers.

## 5. **Find free information about financial aid.** Where? Library books, KHEAA-Alabama online publications, your college financial aid office, [www.alstudentaid.com](http://www.alstudentaid.com) and other websites or local community organizations like the YMCA and the Chamber of Commerce.

## 4. **Learn about loans.** After you get all the financial aid that doesn't have to be repaid (like scholarships and grants), you'll probably still need a student loan. If you need a private loan, compare the benefits. Lower fees can save you a lot of money when it's time to repay.

## 3. **Apply yourself.** Apply for EVERY type of aid you think you might be eligible for. Maybe you speak Klingon, ride a skateboard, want to become a wedding planner or made your prom dress out of duct tape. There may be a scholarship out there to match your talents.

## 2. **Talk with your school counselor.** He or she will have the financial tips that you need to help you afford college.

## 1. **Be scam-proof.** Financial aid information is free. You can get all the information without paying a fee. If you think you're being scammed, call the Alabama Attorney General's office at (800) 392-5658 or (334) 242-7335.



# Tools for Comparison

After completing the FAFSA, use the Student Aid Report (SAR) and the award letters you receive from colleges' financial aid offices to fill out this chart to compare the schools and financial aid packages you are considering. The sample column will give you an idea of how to fill in the needed information.

Sometimes the most expensive schools have scholarships that will bring the cost in line with others. So don't limit yourself; consider all your choices and compare.



Sample	School 1	School 2	Need Calculation
\$ 3,000			Tuition and Fees
800			Books and Supplies
6,200			Room and Board
1,800			Transportation
1,200			Personal Expenses
13,000			Total Cost of Attendance (varies from school to school)
1,000			Minus Estimated Family Contribution from SAR (remains the same)
12,000			<b>Financial Need</b>
<b>Financial Aid Package</b>			
\$ 3,000			Federal Pell Grant
500			Other Grants
1,700			Scholarships
0			Work-Study
2,000			Federal Perkins Loan
3,300			Federal Stafford Loan
1,500			Other Loans
12,000			Total Financial Aid Package
0			Unmet Need (Financial Need minus Total Financial Aid Package)



# Other Services

KHEAA-Alabama offers many programs and services for Alabamians. They include:

## Publications

- *Getting In* — for high school seniors (online version only)
- *Affording Higher Education* — a reference book of over 4,000 financial aid programs for Alabamians (online version only)

## [www.alstudentaid.com](http://www.alstudentaid.com)

- KHEAA publications (see above list)
- Links to other financial aid sites
- FAFSA4Caster
- Online loan counseling
- Loan Repayment Calculator
- Links to Alabama Student Loan Marketplace, an online education financing resource that enables consumers to learn about and compare private loan terms from multiple lenders



## For More Information:

**KHEAA-Alabama**

**Toll free: 800.721.9720**



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