



# FINANCIAL AID

---

Chapter 2 provides helpful information about paying for college. You will find out about how to finance your higher education, including what types of financial aid are available and how you can qualify. You will also find tips and frequently asked questions.

# PREPARING TO PAY

**THIS CHAPTER WILL HELP YOU UNDERSTAND THE FINANCIAL AID PROCESS, BUT IT WON'T ANSWER ALL THE QUESTIONS THAT MIGHT COME UP. Talk with your school counselor or a college financial aid officer if you need more information.**

Unless your family can pay all your college costs, you'll need student aid to help you out. At the bottom of this page, you'll find descriptions of eight types of financial aid.

Check with the schools you're interested in to find out how much they cost and the student aid programs they offer. You can use the Package Evaluation in the

back of this book to compare the costs of different schools.

All trade schools and colleges that participate in federal student aid programs must have a calculator on their website. Use that to get an idea of your out-of-pocket expenses if you attend that school.

## TYPES OF FINANCIAL AID

### GRANTS:

Awards based on need that usually don't have to be repaid.

### SCHOLARSHIPS:

Based on some kind of achievement — academic, athletic or service. Most generally don't have to be repaid.

### WORK-STUDY:

Part-time job on or off campus that lets you earn money toward tuition.

### STUDENT LOANS:

Money borrowed from the government, a school or some other source. Loans must be repaid. However, repayment often doesn't start until you've either left school or graduated.

### CONVERSION SCHOLARSHIPS:

Scholarships that require you to provide certain services for a period of time. If you don't, you have to pay back the money with interest.

### WAIVERS:

Arrangements for students who meet specific qualifications (if your parent was an Alabama police officer killed in the line of duty, for instance) that eliminate certain costs.

### MILITARY BENEFITS:

Financial aid offered to individuals (or their dependents) who were, are or will be in the U.S. Armed Forces.

### NATIONAL SERVICE AWARD:

An award received for education expenses in return for national or community service.



# FIND FINANCIAL AID

WE CAN ANSWER SOME COMMON QUESTIONS TO HEAD YOU IN THE RIGHT DIRECTION.

You'll probably qualify for more than one type of financial aid.

## WHERE CAN I GET FINANCIAL AID?

State and federal governments, colleges, private businesses, and organizations.

## WHEN DO I APPLY?

If you're not starting college until the fall, apply as soon as possible after October 1 using tax data from two years before your fall semester. If you're starting college in the fall of 2022, use your 2020 tax data. The first thing you have to do is submit the Free Application for Federal Student Aid (FAFSA). The earlier you file, the better your chance of getting financial aid. Check with the financial aid offices of the schools you're interested in to find out their deadlines. If you plan to get a jump on college by starting before July 1, 2022, you should file the FAFSA now, using 2019 tax data.

## HOW IS FINANCIAL AID AWARDED?

The two main types of financial aid are need-based and merit-based. The first is based on your family's income and assets. Need is determined by the FAFSA ([see page 23](#)). Merit-based aid would include an athletic scholarship and other scholarships based on grades or abilities.

## HOW DO I APPLY?

For most state and federal aid, by the FAFSA. For more information, see [page 23](#). The FAFSA is often used by schools to decide who gets their grants and scholarships (called institutional aid). Other scholarships may have their own application forms.

## WHERE CAN I GET MORE INFO?

Free information comes from your school counselor and financial aid officers at any schools you're interested in attending. You can also find free information at [www.alstudentaid.com](http://www.alstudentaid.com), the website of KHEAA–Alabama.



## WHAT IS NEED ANALYSIS?

Need analysis determines what type of and how much aid you're eligible for. The analysis subtracts your expected family contribution (EFC) from the total cost of attendance. The total cost of attendance includes tuition and fees, room and board, books and supplies, personal expenses and transportation.

The EFC is the amount your family is expected to pay toward your college expenses. It is figured from the information on the FAFSA using a formula set by Congress.

## HOW MUCH CAN I GET?

You can't get more need-based aid than the total cost of attendance minus your EFC. So, if the total cost of attendance is \$17,000 and your EFC is \$7,000, the most you can get in need-based aid is \$10,000. That doesn't mean you **will** get \$10,000. It just means you're eligible for up to \$10,000 in need-based aid.

The U.S. Department of Education operates a toll free telephone service for students, parents and educators who have questions about federal student assistance programs.

Call (800) 433-3243 ([800 4FED AID](#)). People who use a TTY or TDD device should call the Federal Information Relay Service at (800) 730-8913.

## WHEN WILL I KNOW HOW MUCH I WILL GET?

You can't get more need-based aid than the total cost of attendance minus your EFC. So, if the total cost of attendance is \$17,000 and your EFC is \$7,000, the most you can get in need-based aid is \$10,000. That doesn't mean you will get \$10,000. It just means you're eligible for up to \$10,000 in need-based aid.

## WHAT CAN I USE FINANCIAL AID TO PAY FOR?

Financial aid must be used to pay the cost of education, which includes:

- Direct costs — tuition, fees
- Indirect costs — transportation, housing, food.



## FAMILY CONSIDERATIONS

### WHAT IF MY PARENTS CLAIMED ME AS AN EXEMPTION LAST TAX YEAR BUT DID NOT SUPPORT ME?

You should discuss your situation with the financial aid director of the school you plan to attend to find out if they can help you.

### IF I HAVE A SIBLING IN COLLEGE, WILL MY EFC BE LESS?

Probably. As a rule, if two family members (other than a parent) are in college at least half time, the EFC is divided by two.

### IF MY PARENTS ARE SPLIT UP, WHICH ONE SHOULD PROVIDE THE INFORMATION FOR THE FAFSA?

The parent with whom you lived the most during the past 12 months. If you lived with each parent an equal length of time or lived with neither parent, the parent who gave you the most financial support during the last year should complete the FAFSA.

### DOES MY LEGAL GUARDIAN HAVE TO PROVIDE FINANCIAL INFORMATION ON THE FAFSA?

No, even if the guardian has been directed by a court to support you.

## AM I “DEPENDENT” OR “INDEPENDENT”?

Most students entering college straight from high school are dependent students. For the 2022–2023 academic year, you won't be considered an independent student unless at least one of the following applies to you:

- You were born before January 1, 1999.
- You're married.
- You're enrolled in a master's or doctoral program during the 2022–2023 school year.

- You have dependents who will receive more than half their support from you through June 30, 2023.
- You're an orphan or ward of the court (or were a ward of the court until age 18).
- You're a veteran of the U.S. Armed Forces. “Veteran” includes a student who attended a U.S. military academy who was released under a condition other than dishonorable.

If you're considered independent, you don't have to include your parents' financial information on the FAFSA. You may have to submit proof of your independent status before you receive any federal student aid.

If none of the above apply to you but you think your circumstances mean that you're independent, talk with a financial aid officer at the school you plan to attend. The fact that your parents can't or won't help you pay for college is not enough to make you independent.

# TAX TIME

---

**PAYING TAXES IS PART OF BEING A RESPONSIBLE ADULT.**

**FORTUNATELY, GOING TO COLLEGE MAY HELP YOU AND YOUR FAMILY AT TAX TIME.**

## **ARE THERE TAX CONSIDERATIONS?**

Some are. For a scholarship to be tax free, or “qualified,” you must be working toward a certificate or degree.

A qualified scholarship is one used for tuition and required fees, books, supplies and equipment. Any amount for incidental expenses is taxable. Incidental expenses include room and board, travel, research and clerical help.

Taxpayers may be able to take advantage these credits and deductions:

- American Opportunity Credit, available for the first four years of college.
- Lifetime Learning Credit, available if a taxpayer or a dependent is taking college courses to acquire or improve job skills.
- Student loan interest deduction, which lets people deduct up to \$2,500 per year for interest paid on federal student loans.

## **IS THERE ANYTHING ELSE I NEED TO KNOW ABOUT TAX CREDITS AND DEDUCTIONS?**

Congress can change the federal tax credit and deduction rules at any time. Before claiming any of these credits and deductions, double check to make sure they are still available and to see if any of the particulars have been changed.

For more information, call the Internal Revenue Service (IRS) at (800) 829-1040 or visit <https://www.irs.gov/pub/irs-pdf/p970.pdf> to download the free Publication 970 Tax Benefits for Education. This and other free publications are also available from the IRS by calling (800) 829-3676 or by visiting [www.irs.gov/formspubs/index.html](http://www.irs.gov/formspubs/index.html). The IRS also offers interactive help at <https://www.irs.gov/help/ita> for student tax questions and many other topics.

If you're still not sure, consult your family's tax advisor.



# HELPFUL HINTS

## DON'T PAY FOR THIS INFORMATION!

**IT'S FREE! DON'T MISS OUT ON FINANCIAL AID BECAUSE YOU DIDN'T KNOW WHERE TO LOOK.**

**These tips will increase your chances of obtaining all the financial aid you can.**

Talk with your school counselor, who's an excellent resource and can help get you started in the financial aid process.

Talk with financial aid officers at the schools you're interested in attending. No one knows more about the aid programs available through their school. If your circumstances change between the time you file your FAFSA (beginning October 1) and the start of school, you can talk with your financial aid office to ask if any additional aid may be available. Financial aid officers can use their professional judgment to help students whose finances have changed. See [Chapter 3](#) for contact information.

### MAKE GOOD GRADES IN HIGH SCHOOL.

If you haven't been applying yourself, start now. That can show an admissions officer that you're serious about doing well.

If you join any clubs in high school, there may be scholarships available if you plan to major in that field. Talk with your club advisor to see if they can help. Check out organizations online connected with your field of interest that may have financial aid available.

### TAKE THE RIGHT TEST

Different schools require different tests. Most four-year schools require the ACT or SAT, although some no longer require any test. Alabama's community colleges require the ACT or another placement test. Check the school listings in [Chapter 3](#). For more about these exams, see [pages 7–8](#).

### EXPLORE CAREERS

Talk with people whose jobs interest you. Ask them if they'd recommend the school they went to. They might even let you shadow them for a day to see what their job is really like.

### EXPLORE YOUR COLLEGE OPTIONS

Alabama offers four-year public and private colleges and universities, two-year community and technical colleges, technical schools and online programs. You should be able to find the right school for you.

### LEARN ABOUT STUDENT LOANS.

You should first try to get financial aid you won't have to pay back. However, most students need loans to help pay for college. If you're going to need student loans, make sure you get the least expensive ones you can. For the low down on student loans, go to the "Student Loan Tips" section.

### LEARN ABOUT FINANCIAL AID

Explore [www.alstudentaid.com](http://www.alstudentaid.com) and *Affording Higher Education*, a reference guide containing sources of student financial aid for Alabama students for information about grants, scholarships and other financial aid programs for Alabama students. The U.S. Department of Labor also has a free scholarship search [tool](#) for both national and Alabama-only scholarships available.



# USE FREE TO FIGHT FRAUD

REMEMBER THE SAYING — “IF IT SOUNDS TOO GOOD TO BE TRUE, IT PROBABLY IS.”



## STEP 1



Start with your counselor, who can help you find many sources of student aid for which you may qualify.

## STEP 2



Contact someone in the financial aid office at each school you're considering. This person can tell you about the financial aid programs offered by the school.

## STEP 3



Check the Internet for scholarship sources. There are several free scholarship search sites available online. If you're going to use the Internet, remember that websites are not regulated by any agency. It doesn't take much to start a fantastic looking website, so don't judge the site simply by the way it looks. A scam artist can set up a website, take people's money for a few weeks, then shut down the site and disappear.

## STEP 4



Attend any free financial aid workshops sponsored by your high school, local colleges or the Alabama Association of Student Financial Aid Administrators. Don't confuse these free events with events sponsored by companies that offer services for a fee.

## STEP 5



Before paying for financial aid information, check out the company with the Better Business Bureau; the Attorney General's Office, Consumer Affairs Section, 500 Dexter Avenue, Montgomery, AL 36130, (800) 392-5658, (334) 242-7335, or the attorney general in the state where the company is located.

There are a lot of financial aid programs out there, but make sure your sources are reliable — or you could find out the hard way that not everyone is honest.

Be wary of any company that offers to do the work for you (at a price, of course!). It sounds so easy: Just fill out a form, then sit and wait for every scholarship to fall in your lap. Scholarship search companies may charge hundreds of dollars to give you a list of scholarships you can find for free.

Here are some easy steps you can take to get the same information — for free.

# SCAM SCHOLARSHIP ALERT

THE FEDERAL TRADE COMMISSION CAUTIONS STUDENTS TO BE ESPECIALLY SKEPTICAL ABOUT SCHOLARSHIP SEARCH COMPANIES AND SITES THAT MAKE ANY OF THESE CLAIMS:



**“You’ve been selected by a national foundation to receive a scholarship.”**

If you didn’t apply for a scholarship, check it out before responding.

**“We’ll do all the work.”**

This probably won’t happen. You’ll have to fill in the applications.

**“I just need your credit card or bank account number to hold this scholarship.”**

**NEVER** give these numbers to people you’re not sure about. Scam artists can use that information to charge things to your card or clean out your bank account.

**“This scholarship will cost some money.”**

Some legitimate scholarships do have up front fees, but they shouldn’t be more than \$5 to \$10.

**“Guaranteed or your money back.”**

Read the fine print. It may tell you that to get a refund you have to receive a letter of rejection from every source on the list. You won’t get a letter if the source no longer exists. The fine print may also state that all types of student aid are included. If you get a student loan, but no scholarships, you won’t see a refund.

**“You can’t get this information anywhere else.”**

Nearly all the information can be found by working with your counselor and the college financial aid office or doing a free online scholarship search.

## HELPFUL FRAUD WEBSITES

FEDERAL TRADE COMMISSION,  
[www.ftc.gov](http://www.ftc.gov)

File a complaint with the FTC by calling toll free (877) 382-4357 or submitting an online complaint form available on the FTC website.

Remember, however, that the absence of complaints may not mean the company or foundation is legitimate — it may just be so new that no one has filed a complaint yet.

[FinAid](#)

This is another site that provides information on how to identify and report scams.

# THE FAFSA

**DON'T LET THE FAFSA DEFEAT YOU WHEN YOU APPLY. HERE ARE SOME HELPFUL HINTS THAT WILL SIMPLIFY THE PROCESS.**

You must file the FAFSA if you want federal or state student aid. Filing online at <https://studentaid.gov> is faster. Plus, your answers are automatically edited, meaning you're less likely to make errors.

You'll need a Federal Student Aid ID (FSA ID) username and password and will be asked to verify your identity to set up an account.

If you prefer to file by mail, you can download a fillable PDF version of the FAFSA from <https://studentaid.gov>. You can also find a FAFSA on the Web worksheet that will guide you through the filing process.

The U.S. Department of Education will send your FAFSA information to KHEAA and the schools you list on the FAFSA. From that information, KHEAA will determine if you're eligible for state grants.

Each school to which you apply will use the FAFSA information to create a financial aid package. The schools will send their package to you, generally in the spring.

If you're a male 18 to 25 years old and you haven't registered with Selective Service ([see page 6](#)), you won't qualify for federal student loans, grants or work-study.

## VERIFICATION

The U.S. Department of Education requires colleges to verify the information provided on a percentage of all FAFSAs. The department chooses which students must go through verification.

If you're selected, the college will let you know what information you need to supply. You may be contacted by KHEAA, which provides verification to colleges and universities in Alabama and other states.

To prepare for verification, use the IRS Data Retrieval Tool in FAFSA on the Web. It will transfer your information from the IRS to the FAFSA when you file the FAFSA or when you make corrections later.

You can also have the IRS send you an IRS tax return transcript, which you can ask for at <https://www.irs.gov/> <https://www.irs.gov/individuals/get-transcript>. If you filed electronically, your IRS information will be available about two weeks after you filed. If you filed by mail, it may be two months before your data is available.

**IF YOU'RE SELECTED FOR VERIFICATION, YOU WON'T RECEIVE YOUR FINANCIAL AID UNTIL YOU COMPLETE THE VERIFICATION PROCESS.**



# THE FAFSA

## OTHER FINANCIAL AID APPLICATIONS

- Check with the financial aid office of the school you plan to attend to find out if you should file any other applications.
- Read and follow directions, filling out the application properly and neatly. You may be disqualified for failing to complete all questions, answering them incorrectly or missing the deadline.
- Pay attention to mailing addresses and filing deadlines. Like the FAFSA, other application forms should be filed as early as possible.
- Keep copies of everything you mail and a record of the dates you sent them. You might want to send your materials by registered mail, return receipt requested.
- Talk with your counselor about scholarships available in your community. If you think you may be eligible, apply.
- Check the school's website for descriptions of additional scholarships or financial aid for which you can apply. You can find school websites in Chapter 3.
- Apply, apply, apply. By applying for several types of aid, you increase your chances of receiving enough to pay your school costs.

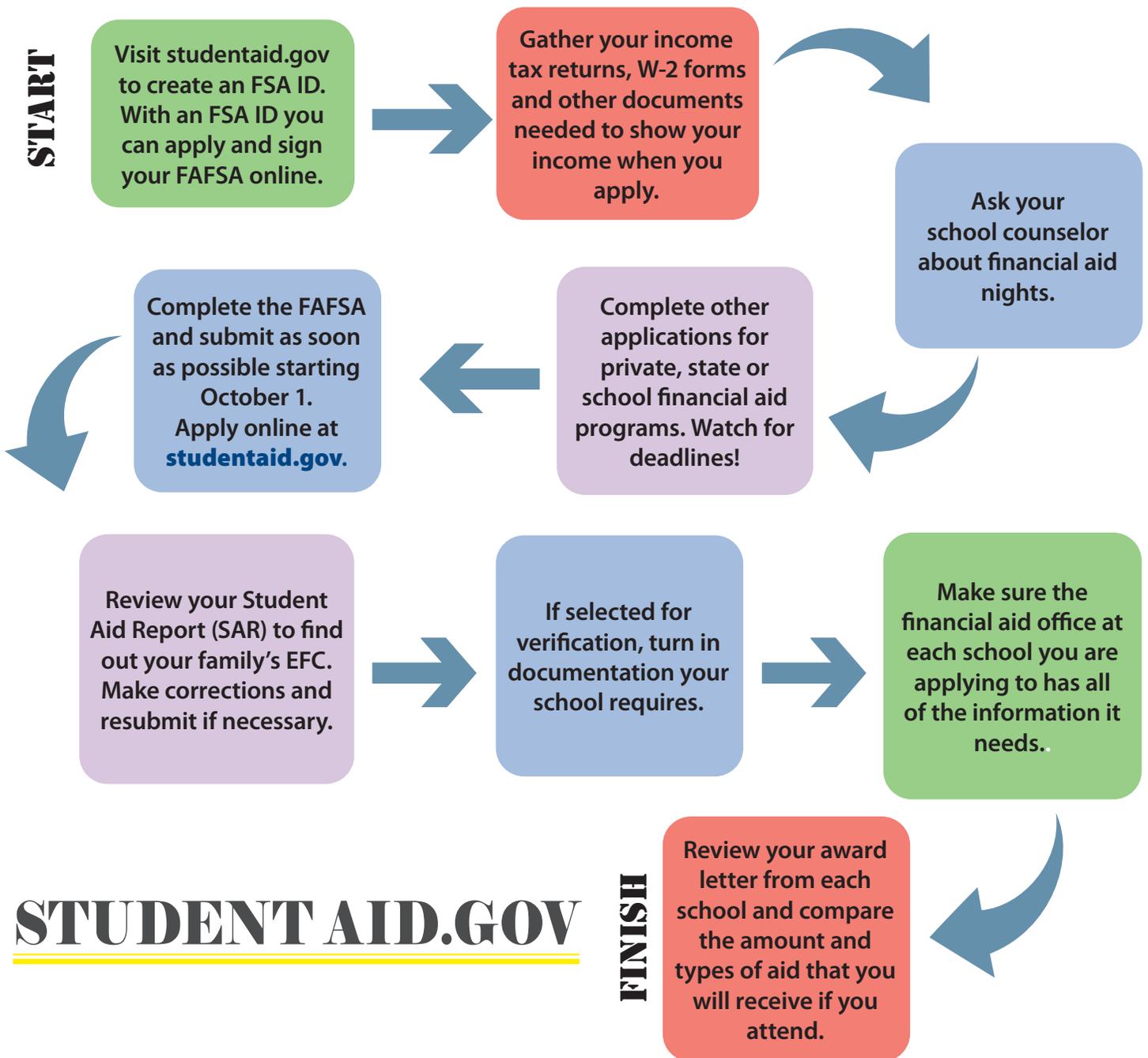
**YOU MUST FILL OUT THE FAFSA CORRECTLY TO MAXIMIZE ALL THE MONEY YOU QUALIFY FOR. USE THE FOLLOWING STEPS TO MAKE SURE IT'S RIGHT:**

- 1: Create your FSA ID and complete the FAFSA at <https://studentaid.gov/>.**
- 2: Gather documents you will need to refer to in completing the FAFSA. These include:**
  - ➔ Your Social Security card and driver's license.
  - ➔ Your W-2 forms and federal income tax return.
  - ➔ Your parents' W-2 forms and federal income tax return if you are dependent.
  - ➔ Records of other untaxed income, such as veteran's benefits.
  - ➔ Current bank statements and records of stocks, bonds or other investments.
  - ➔ Business or farm records if applicable.
  - ➔ Your alien registration card if you are not a U.S. citizen.
- 3: Don't forget to:**
  - ➔ Read and follow the instructions carefully.
  - ➔ Submit the FAFSA as soon as possible after October 1 of your senior year to make sure you have the best chance of receiving aid for which you're eligible.
  - ➔ Enter only whole dollars, not cents.
  - ➔ Keep a copy of your FAFSA and when you submitted or mailed it.
  - ➔ If you need to make corrections, follow the instructions on the Student Aid Report you receive and return it immediately for reprocessing.
  - ➔ Read financial aid award letters carefully and comply with requests from schools for clarification or additional information as soon as possible. Submit corrections or additional information to the ED Central Processor, so the administrators of federal, state and school based programs will have the updated information too.



# FINANCIAL AID APPLICATION PROCESS

You can submit your FAFSA beginning October 1 of your senior year. You should apply as close to this date as possible. However, applying early does not guarantee you'll receive an award. For more information about government financial aid programs, visit [studentaid.gov](http://studentaid.gov) or call 800.4FEDAID.



# AID OPTIONS

This section provides information about the major state and federal student aid programs available to Alabamians. They're listed by category — grants, scholarships, etc. The required application for many of these programs is the FAFSA, which is available at [www.studentaid.gov](http://www.studentaid.gov) or by calling the ED.

Due to the ever changing climate of student aid, programs may be discontinued or changed. For the most up to date information, check with your high school counselor or a financial aid officer at the school you plan to attend.

## GRANTS

### ALABAMA STUDENT ASSISTANCE PROGRAM GRANT

**Eligibility:** Financially needy Alabama undergraduate resident attending an eligible school at least half time.  
**Awards:** \$300–\$5,000 each academic year.  
**Application:** FAFSA.

### ALABAMA STUDENT GRANT

**Eligibility:** Alabama undergraduate resident enrolled at least half time and attending an eligible independent Alabama college or university. Eligibility is not based on financial need.  
**Awards:** Up to \$3,000 each academic year depending on program funding.  
**Application:** Contact the financial aid office.

### FEDERAL PELL GRANT

**Eligibility:** Undergraduate who holds no bachelor's or higher degree, has financial need and is a U.S. citizen or eligible noncitizen enrolled in an eligible school. Students enrolled in a postbaccalaureate teacher program may also be eligible.  
**Awards:** Up to \$6,495 per year.  
**Application:** FAFSA.

### FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT

**Eligibility:** Undergraduate who holds no bachelor's or higher degree, has exceptional financial need and is a U.S. citizen or eligible noncitizen enrolled in an eligible school.  
**Awards:** Up to \$4,000 per year.  
**Application:** FAFSA. Deadline set by the school.



### IRAQ AND AFGHANISTAN SERVICE GRANT

**Eligibility:** Student who is not Pell eligible based on EFC but meets remaining Pell eligibility requirements; whose parent or guardian died as a result of military service in Iraq or Afghanistan after September 11, 2001; and who, at the time of parent's or guardian's death, was less than 24 years old or was enrolled at least part time at an institution of higher education.  
**Awards:** Up to \$6,125.  
**Application:** FAFSA.

## SCHOLARSHIPS

### COLLEGE COUNTS SCHOLARSHIP

**Eligibility:** Must be a high school senior or first-time college freshman, a U.S. citizen and an Alabama resident; be enrolled or planning to enroll in an eligible Alabama educational institution; demonstrate financial need; have a minimum GPA of 2.75; and have an ACT score of 26 or below.  
**Awards:** \$4,000 for four-year college students, \$2,000 for two-year college students.  
**Application:** <http://treasury.alabama.gov/collegecounts-scholarship/>

## ALABAMA INDIAN SCHOLARSHIP

**Eligibility:** Must have been enrolled in a state or federally recognized tribe for at least three years, meet any qualifications your tribe may have, get your tribe's signature approving your application, be a resident of Alabama, attend a school in Alabama unless the program is not offered in Alabama, and have a letter of acceptance or current enrollment from the school. Special consideration given to nursing, medical, veterinary and pharmacy majors.

**Awards:** Up to \$2,000.

**Application:** Write the Alabama Indian Affairs Commission, 771 South Lawrence St., Suite 106, Montgomery, AL 36130; phone (334) 242-2831; fax (334) 240-3408; visit [www.aiac.alabama.gov](http://www.aiac.alabama.gov); or email [aiac@att.net](mailto:aiac@att.net). Check website for application deadline, which is usually in March.

## AMERICAN LEGION SCHOLARSHIP

**Eligibility:** Alabama resident who is the son, daughter, grandson or granddaughter of a war veteran who is also a Alabama resident. Based on GPA. Must attend a participating school.

**Awards:** Tuition, fees and board expenses.

**Application:** Visit <https://www.legional.org/publications.html> and return application to American Legion Scholarship, P.O. Box 1069, Montgomery, AL 36101. Application deadline is April 1.

## AMERICAN LEGION AUXILIARY SCHOLARSHIP

**Eligibility:** Alabama resident who is the son, daughter, grandson or granddaughter of a war veteran. Based on GPA. Must attend a participating school.

**Awards:** Tuition, fees and board expenses.

**Application:** Visit [www.legional.org](http://www.legional.org) or send a self addressed, stamped envelope to the American Legion Auxiliary, 120 N. Jackson St., Montgomery, AL 36104. Application deadline is April 1.

## TWO-YEAR COLLEGE ATHLETIC SCHOLARSHIP/WAIVER

**Eligibility:** Full-time student enrolled at an Alabama public community college. Based on tryout. Renewed on the basis of continued participation. Limits on various sports apply. Not based on financial need.

**Awards:** Tuition.

**Application:** Contact the coach, athletic director or financial aid office.

## TWO-YEAR COLLEGE INSTITUTIONAL SCHOLARSHIP/WAIVER

**Eligibility:** Student accepted for enrollment at an Alabama public two-year college. May be renewable.

**Awards:** In-state tuition and books.

**Application:** Contact the financial aid office.

## TWO-YEAR COLLEGE SENIOR ADULT SCHOLARSHIP/WAIVER

**Eligibility:** Student must be at least 60 years old, attend a two-year public college in Alabama and meet admissions requirements and eligibility criteria, as determined by each college.

**Awards:** Tuition and books.

**Application:** Contact the financial aid office.

## CONVERSION SCHOLARSHIPS/LOANS

### FEDERAL TEACH GRANT

**Eligibility:** Undergraduate, postbaccalaureate or graduate student in a teacher education program. Must have at least a 3.25 GPA and score above the 75th percentile on an undergraduate or graduate admissions test. A graduate student must be a teacher or a retiree from another occupation with expertise in a field with a shortage of teachers or complete a high quality alternative certification. Recipient must teach full time for four years in a high need field in an elementary or secondary school that serves low-income students. Teaching service must be completed within eight years of completing the teacher education program. If a recipient does not fulfill the teaching requirement, the grant converts to an unsubsidized Direct Loan.

**Awards:** Up to \$4,000 for underclassmen, up to \$8,000 for juniors, seniors and graduate students.

**Application:** FAFSA and a service agreement that includes a promise to repay the grant if the recipient fails to complete the service obligation.



## NURSING SCHOLARSHIP

**Eligibility:** Must be an Alabama resident and a registered nurse admitted to a graduate nursing program at an accredited school and achieve passing grades for either 6 semester or 8 quarter hours for two consecutive semesters. Must agree to teach nursing full time or work in a professional nursing capacity for at least two years in Alabama following graduation or repay the scholarship.

**Awards:** Varies

**Application:** Visit [www.abn.alabama.gov/alabama\\_nursing\\_resource\\_center/grad\\_students/](http://www.abn.alabama.gov/alabama_nursing_resource_center/grad_students/) or contact the Alabama Board of Nursing, P.O. Box 303900, Montgomery, AL 36130-3900; phone (334) 293-5200 or (800) 656-5318; fax (334) 242-4360; or contact financial aid office of the school you plan to attend. Deadline is August 31.

**Application:** FAFSA and the Federal Direct Loan Master Promissory Note (MPN). Contact the schools to which you are applying to see if they prefer an electronic or paper MPN.

## FEDERAL PLUS LOAN

**Eligibility:** Parent or stepparent of a dependent undergraduate student enrolled or accepted for enrollment at least half time in an eligible program at an eligible school. Graduate and professional students may also borrow PLUS Loans. Cannot have an adverse credit history.

**Award:** The maximum amount equals the cost of education minus other financial aid received. The interest rate is set each year.

**Application:** FAFSA and PLUS Loan application. For a PLUS Loan application, visit [www.studentloans.gov](http://www.studentloans.gov).

## LOANS

### FEDERAL DIRECT LOAN

**Eligibility:** U.S. citizen or eligible noncitizen enrolled or accepted for enrollment at least half time in an eligible certificate or degree program at an eligible school. You must show financial need for a subsidized loan but not for an unsubsidized loan.

**Award:** The loan amount for an academic period cannot exceed the cost of attendance (as determined by the school) minus your estimated financial assistance and, if the loan is subsidized, EFC. The amount can't exceed the loan limits for an academic year based on the your dependency status and grade level. The interest rate on Direct Loans is set each year. Undergraduate students may be eligible for both subsidized and unsubsidized loans. Graduate and professional students may only receive unsubsidized loans. The government pays the interest on a subsidized loan until you begin repayment. You can pay the interest on an unsubsidized loan while you are in school or have it added to the principal.

Loan limits when *Getting In* was posted were:

Grade Level	Dependent Status	Independent Status
First Year	\$5,500	\$ 9,500
Second Year	\$6,500	\$10,500
Each Remaining Year of Undergraduate Study	\$7,500	\$12,500
Each Year of Graduate Professional Study	N/A	\$20,500



### NURSING STUDENT LOAN

**Eligibility:** U.S. citizen, permanent resident or eligible noncitizen enrolled at least half time in a nursing program at a participating school and having financial need.

**Award:** Varies by school based on need, year of enrollment and available funds; 5 percent interest rate.

**Application:** Financial aid office. For more information, visit [bhw.hrsa.gov/loansscholarships/nursecorps/](http://bhw.hrsa.gov/loansscholarships/nursecorps/).

## PRIMARY CARE LOAN

- Eligibility:** U.S. citizen, permanent resident or eligible noncitizen who is enrolled in a college of allopathic or osteopathic medicine, has financial need and agrees to enter and complete residency training in primary care within four years after graduation (including three-year residency program) and practice in primary care for the life of the loan.
- Awards:** Varies by school. Based on need and funding. The maximum award cannot exceed the cost of attendance for first- and second-year students. Depending on funding, third- and fourth-year students may receive larger awards. The interest rate is 5 percent. If the student fails to enter and complete a residency in primary health care, the interest rate will become 18 percent at the date of noncompliance.
- Application:** Financial aid office. Deadline set by school. For more information, visit <https://bhw.hrsa.gov/loansscholarships/schoolbasedloans>.



## WAIVERS

### ALABAMA SCHOLARSHIP FOR DEPENDENTS OF BLIND PARENTS/ TEXTBOOKS BENEFITS FOR DEPENDENTS OF BLIND PARENTS

- Eligibility:** Student who has resided in Alabama for at least five years before applying and is a member of a family where the head of the household is blind and the family income is not greater than 1.3 times the current poverty income level under federal guidelines. Training at any Alabama state institution of higher learning, college or university or enrollment in prescribed courses at any Alabama state technical college must begin within two years after high school graduation, but in no case after the 23rd birthday of the child.
- Awards:** College or university waives all instructional fees and tuition, and recipients are provided a portion of textbook costs. The amount is contingent upon the number of participants in the program.
- Application:** Write to Dana Barber, Alabama Department of Rehabilitation Services, 31 Arnold St., Talladega, AL 35160; call (800) 441-7607; or visit [www.rehab.alabama.gov](http://www.rehab.alabama.gov).

## WORK-STUDY

### FEDERAL WORK-STUDY

- Eligibility:** Student who has financial need and is a U.S. citizen or eligible noncitizen enrolled in an eligible school pursuing a degree or certificate.
- Awards:** Student must be paid at least the current federal minimum wage. Maximum earnings cannot exceed total cost of education minus other financial aid received.
- Application:** FAFSA. Deadline set by school.



### POLICE OFFICER'S AND FIREFIGHTER'S SURVIVOR'S EDUCATIONAL ASSISTANCE PROGRAM

- Eligibility:** Dependent or spouse of an Alabama police officer or firefighter killed or permanently and totally disabled in the line of duty. Must be enrolled as an undergraduate at an Alabama public college. Other criteria may apply.
- Awards:** Tuition, fees, books and supplies.
- Application:** Write to the Alabama Commission on Higher Education, P.O. Box 302000, Montgomery, AL 36130-2000 or call (334) 242-2273. Forms available at [https://ache.edu/ACHE\\_Reports/Forms/Grants/POFSEAP-Initial-Appl.pdf](https://ache.edu/ACHE_Reports/Forms/Grants/POFSEAP-Initial-Appl.pdf).



## MILITARY BENEFITS

Most branches of the military offer tuition assistance that lets active duty members take courses during off duty hours. In addition, military training while on active duty can sometimes count toward college credit. After they finish active duty, veterans can take advantage of the Montgomery GI Bill to attend college. Recruiting offices can provide information about educational opportunities through the military.

### ALABAMA GI DEPENDENT'S EDUCATIONAL BENEFIT PROGRAM

- Eligibility:** Child, stepchild, spouse or unremarried widow/widower of an eligible disabled Alabama veteran may attend a public college in Alabama for undergraduate studies at the in-state tuition rate. Children must begin college before their 26th birthday (30th birthday in some cases). Spouses and widows/widowers have no age restrictions.
- Awards:** After all other grants and scholarships have been used, the scholarship will cover tuition up to the Department of Defense tuition assistance cap (currently \$250 per credit hour) and up to \$1,000 for the combination of textbooks and instructional fees per semester.
- Application:** Write to the Alabama State Department of Veterans Affairs, P.O. Box 1509, Montgomery, AL 36102 1509; call (334) 242-5077; visit [www.va.alabama.gov](http://www.va.alabama.gov); or contact any county veterans service officer.

### ALABAMA NATIONAL GUARD EDUCATIONAL ASSISTANCE PROGRAM

- Eligibility:** Student who is an active member in good standing with a federally recognized unit of the Alabama National Guard. Applicant may receive federal veterans benefits, but must show a cost less aid amount of at least \$100.
- Awards:** Tuition, fees, books, and supplies to attend an Alabama college. Awards limited to \$1,000 per term and no more than \$2,000 each year.
- Application:** Contact any unit of the Alabama National Guard. Forms must be signed by a representative of the Alabama Military Department and a financial aid officer at the school the student plans to attend.

## RESERVE OFFICERS TRAINING CORPS (ROTC) SCHOLARSHIPS

### AIR FORCE ROTC

- Eligibility:** High school senior or graduate. Students pursuing technical degrees are targeted. Based on individual merit, not need. Four-year scholarships may be lengthened to five years in certain academic majors and programs. The Air Force also offers scholarships to students already in college. These scholarships cover one to three years of a bachelor's degree program.
- Awards:** Varies.
- Application:** Contact the Department of Aerospace Studies at the school you plan to attend. For further information, call toll free (866) 423-7682; write to HQ AFROTC/DOR, 551 East Maxwell Boulevard, Maxwell AFB, AL 36112-6106; or visit [www.afrotc.com](http://www.afrotc.com).

### ARMY ROTC

- Eligibility:** Entering freshman who has at least a 920 SAT or 19 ACT composite score; had at least a 2.5 high school GPA; and participates in leadership, extracurricular and athletic activities.
- Awards:** Full tuition and on campus education fees; an additional allowance for textbooks, supplies and equipment and up to \$5,000 per year in spending money.
- Application:** Contact the Military Science Department of your school; call toll free (800) 750-7682; or visit [www.goarmy.com/rotc](http://www.goarmy.com/rotc).



## NAVAL ROTC FOUR-YEAR SCHOLARSHIP

**Eligibility:** Must be U.S. citizen at least 17 years of age by September 1 of the year starting college and less than 23 on December 31 of that year. Applicants with previous active duty service may be eligible for age waivers. The minimum SAT scores for the Navy option are 520 math and 530 critical reading. The minimum ACT scores are 21 math and 22 English. If an applicant is in the top 10% of his/her high school graduating class, the SAT/ACT can be below the above-stated minimum to apply for Navy option. The minimum SAT scores for Marine option is a composite score of 1000. The minimum ACT scores for Marine option are a composite score of 22. Must meet physical requirements.

**Awards:** Tuition, fees, book allowance, uniforms and a monthly allowance.

**Application:** Contact your local Navy Recruiter; call (800) 872-6289 or (800) 628-7682; email [PNSC\\_NROTC.scholarship@navy.mil](mailto:PNSC_NROTC.scholarship@navy.mil); or visit <http://www.nrotc.navy.mil/scholarships.html>. Deadline is January 31.

## TWO-YEAR AND THREE-YEAR SCHOLARSHIP

**Eligibility:** Must be a U.S. citizen at least 17 years of age and under 27 years of age on December 31 of the year the applicant expects to graduate and complete NROTC training requirements. Applicants with prior active duty service may be eligible for a waiver. Must be a college sophomore with a minimum GPA of 2.5. One year (two semesters or three quarters) of differential and integral

calculus of one real variable with grades of C or better is required (pre-calculus does not meet this requirement). Must meet physical requirements for the NROTC Program (physical required).

**Award:** Tuition, fees, book allowance, uniforms and monthly allowance.

**Application:** Contact nearest NROTC unit or call (800) 628-7682, ext. 2-9380, 2-9381 or 2-9563. Deadline is May 31 of freshman or sophomore year of college.

## NATIONAL SERVICE

### SEGAL AMERICORPS EDUCATION AWARD

**Eligibility:** U.S. citizen or permanent resident aliens age 17 or older with or working on a high school diploma who perform national community service before, during or after college.

**Awards:** Up to \$6,345 for each year of service (up to two awards) to pay current or future education expenses or repay federal student loans. If the member is 55 years or older, the award can be transferred to a child or grandchild. Must be used within seven years.

**Application:** Corporation for National and Community Service, 250 E St., SW, Washington, DC 20525; toll free (800) 942-2677; or online at [www.americorps.gov/serve](http://www.americorps.gov/serve).

## QUALIFIED STATE TUITION PROGRAMS

### COLLEGECOUNTS ALABAMA'S 529 FUND

**Description:** A tax-advantaged way to save for future college costs. Alabama provides a state income tax deduction of up to \$5,000 (for single filers) or \$10,000 (for joint filers) for contributions made to Alabama's 529 college savings plan. CollegeCounts has no minimum or annual contribution requirements. Funds you build in the plan can be used at most U.S. colleges, universities, trade, vocational, professional and graduate schools and at some foreign schools. Qualified withdrawals for college are free of federal and Alabama state income tax and include payments for tuition, fees, room and board (if enrolled at least half time), books, supplies and equipment required for enrollment. The plan offers investment diversity, flexibility and choice with a number of quality fund families.

**Information:** Alabama State Treasurer's Office, College Savings Program, 100 N. Union St., Suite 660, Montgomery, AL 36104. Call (866) 529-2228 or visit [www.CollegeCounts529.com](http://www.CollegeCounts529.com).

# STUDENT LOAN TIPS

Find out what other financial aid you qualify for before applying for a student loan. Grants, scholarships and work-study usually don't have to be repaid. **STUDENT LOANS HAVE TO BE REPAYED, WHETHER YOU FINISH YOUR EDUCATION OR LIKE THE SCHOOL OR PROGRAM.** You're taking on a commitment that can improve your future but also requires you to be responsible. Making your payments on time shows that you're a good credit risk. That will help when you need to borrow money for a car, home or other purchases. Here are some tips that will help you to borrow wisely.

## TIP 1: FIND OUT THE SCHOOL'S COST AND REFUND POLICY

Ask a financial aid officer how much the total cost of attending school will be. Also, ask the aid office or check the student handbook to find out the school's refund policy. Make sure you do the entrance counseling that is required before you receive your first Federal Direct Loan.

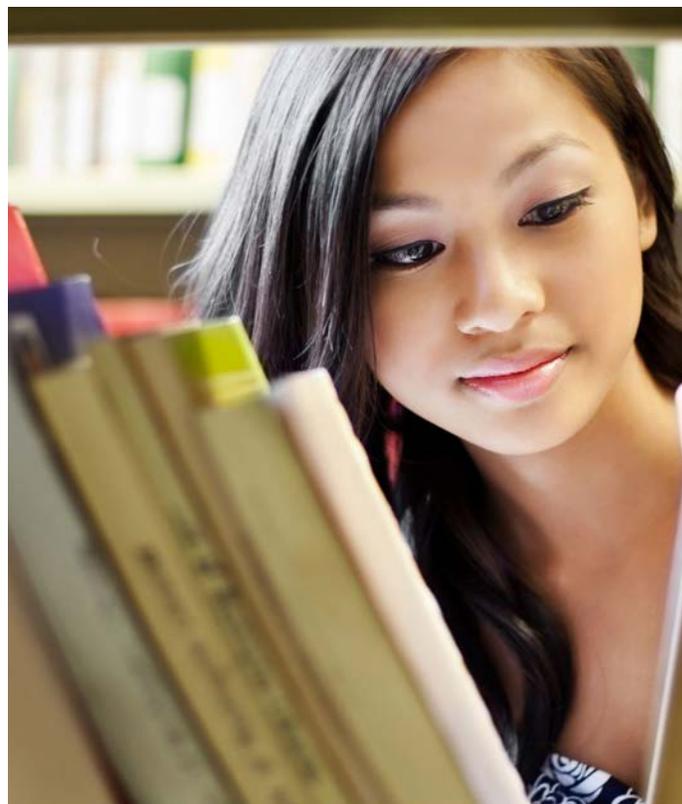
## TIP 2: CHECK OUT THE JOBS YOU'RE INTERESTED IN

Make sure the job opportunities and pay mean you can earn enough to pay back what you borrow and leave you enough to live on. Defaulting on a student loan has drastic consequences, so don't go into a field where you won't earn enough money.

## TIP 3: LEARN ABOUT STUDENT LOANS BEFORE YOU BORROW

The less you borrow, the less you'll have to pay back. Borrow only what you need.

The interest on Direct Loans changes each year. The chart shows the approximate monthly payments for various amounts at 3.73 percent interest. The Loan Repayment Calculator on [www.kheaa.com](http://www.kheaa.com) lets you estimate payments based on amount borrowed, interest rate and repayment time.



Federal Loan Repayment	
Amount Borrowed	Estimated Monthly Payment at 3.73%
\$5,000	\$52
\$10,000	\$100
\$15,000	\$150
\$20,000	\$200
\$25,000	\$250
\$30,000	\$300
\$35,000	\$351
\$40,000	\$400

## TIP 4: THINK ABOUT NEXT YEAR

Most financial aid programs have renewal requirements and some limitations such as:

- Showing satisfactory academic progress
- Requiring students to reapply each year.
- Limiting the total number of years aid can be received.

Before you transfer to another school, be sure to check on the status of your financial aid.

## TIP 5: LEARN ABOUT REPAYMENT OPTIONS

You usually have up to 10 years to repay your student loans, your monthly payment based on how much you owe. Choose the repayment option that's best for you.

When you start making payments, pay a little extra. If you pay an extra \$10 each month, \$120 a year, the extra money is applied to the principal, which lowers the total interest you end up paying.

If you have any trouble making your payments, contact your loan servicer immediately. You may be able to postpone or reduce your payments temporarily. Before you enter repayment, you will go through exit counseling to help you understand your obligations.



### BE WARY OF student loan repayment companies

After you finish college and start repaying your student loans, be careful of sales pitches from companies offering to help lower your payment.

Such companies charge high fees to submit forms that you can file for free. Many will want to charge monthly fees for monitoring your loans. Again, you can do that for free.

Contact the servicer the U.S. Department of Education has assigned your loan to. Someone there can tell you what your options are and help you with the forms you need. If you need help finding your servicer, go to <https://studentaid.gov/> to retrieve your loan information.

You can also go directly to the ED website at [www.ed.gov](http://www.ed.gov) and click on the link titled "Student loans, forgiveness." Under that link you'll find links to detailed information about all of your options.



# COMPARING COSTS

## WHAT HAPPENS IF YOU GET ACCEPTED TO EVERY SCHOOL YOU'VE APPLIED TO? HOW DO YOU KNOW WHICH SCHOOL IS OFFERING YOU THE BEST FINANCIAL AID PACKAGE?

What if the school you want to attend costs more than another one? Is there a possibility that after applying all your awards, you might be able to attend the school of your dreams instead of settling for another one? There's only one way to find out — compare. To start comparing, look at each school's award letter. An award letter will usually show the total cost of attendance — what it costs to go to that school for one year, including tuition, fees, room, meals, books, supplies, transportation and personal expenses. It doesn't include summer school.

It may also show how much your family is expected to pay toward those costs, the expected family contribution (EFC). The EFC is subtracted from the total cost of attendance to get your financial need.

The letter will then list various sources of financial aid offered to pay for the costs not covered by the EFC. You can accept or reject any or all of those proposed sources.

Let's look at sample awards from two four-year colleges. These are purely fictional.

Financial Need	School A	School B
<b>Total Cost</b>	<b>\$24,500</b>	<b>\$36,500</b>
EFC	\$3,000	\$3,000
Local Scholarship	\$2,500	\$2,500
<b>Financial Need</b>	<b>\$19,000</b>	<b>\$31,000</b>

### School A's package

Includes \$2,500 in student loans. That's 24% of the total package. Over four years, that adds up to \$10,000 in loans you'll be responsible for paying back.

### School B's package

Includes \$5,800 in student loans, which is 27.1% of the total package, not much different from School A's percentage. But over four years, that adds up to \$23,200 you'll have to repay.

Awards	School A	School B
School Grant	\$7,925	\$9,200
Federal Pell Grant	\$5,000	\$4,735
State Grant	\$2,275	\$1,600
Federal Direct Loan	\$2,500	\$5,800
Work-study	\$1,300	\$0
<b>Total Award</b>	<b>\$19,000</b>	<b>\$21,335</b>

### Things to consider:

- How much of this will you have to pay back?
- What is your total debt load after four years of school?
- Can you afford the EFC and unmet need without taking out more loans?

Unmet Need	School A	School B
<b>Financial Need</b>	<b>\$19,000</b>	<b>\$31,000</b>
<b>Total Award</b>	<b>\$19,000</b>	<b>\$21,335</b>
<b>Unmet Need</b>	<b>\$0</b>	<b>\$9,665</b>



## SAVE SOME GREEN!

### TEXTBOOKS

Buy used books whenever possible. You may be able to save by buying textbooks online. Renting textbooks is also an option. Some schools include the cost of textbooks in the cost of tuition.

### SUPPLIES

Notebooks and pens bought in bulk cost less.

### ROOM AND BOARD

If you're going to a school near by, commute from home. Eating mom's cooking will help save on your food expenses too. If you don't want to live at home or in a dorm, try sharing an apartment with friends. However, some colleges require freshmen to live on campus, so check your school's policies.

## EFC = ESTIMATED FAMILY CONTRIBUTION

According to the sample awards on the previous page, you and your parents would be expected to come up with **\$5,000** (the EFC) a year, which with four years of college is a total of **\$20,000**. If you have that money, either from your parents' income or savings, that's great. If neither you nor your parents have that kind of money, then you'll have to get it from somewhere, most likely through a loan. You have various loan sources available. There are the Federal Direct Loan for students, the Federal PLUS Loan that your parents can apply for, and private loans.

You'll need to study two to three hours for each hour of class, so being a full-time student will take up as much time as a full-time job. Will you be able to juggle a part-time job as well as a full-time study schedule? Many do, but remember that your first priority should be your schoolwork.

Maybe you've applied for other scholarships but won't know if you've won one until after receiving the award letter. You should see how each school handles additional scholarship funds. Some will decrease the school grant by that much, while others will decrease both suggested loans and grants. That can make a big difference in how much you have to pay back.

Let's take one more look at the awards on the previous page. Let's suppose that School B didn't give you a school grant. In that case, the unmet need would be \$2,750. That's called a gap — the difference between the aid the school is offering and how much financial need a student has. That's more money your family would have to come up with if you choose School B.

So, don't just sign an award letter without comparing it with all your other options. One of the tools you can use to find out which school is making you the best offer is the chart at the end of *Getting In*. Use it to compare financial aid packages.



# SAMPLE AWARD LETTER



## 2022-2023 Financial Aid Award Letter

March 20, 2022

Office of Student Financial Aid  
111 Awards Building  
Anytown, AL 30000-0001  
Phone: 555.555.5555  
Fax: 555.555.1212  
[www.yourcollege.edu/FinancialAid](http://www.yourcollege.edu/FinancialAid)

Your Financial Aid Counselor Is:  
Jordan Friendly, 555.555.5555, ext. 555  
Email: [friendly@yourcollege.edu](mailto:friendly@yourcollege.edu)

The estimated budget below was used to determine your financial aid offer for the 2022-2023 award year.  
These costs are an estimate and may not represent your actual billed charges.

### Estimated Cost of Attendance:

Tuition and Fees Allowance	\$ 6,360
Room and Board Allowance	7,840
* Books and Supplies Allowance	900
* Travel Allowance	1,000
* Personal Expense Allowance	1,390
<b>Total</b>	<b>\$ 17,490</b>

\* These estimated noninstitutional charges will not appear on the bill from Your College.

### Financial Aid Offer:

Mark Accept or Reject for each award below.

Accept	Reject	Award Type	Fall 2022	Spring 2023	Summer 2023	Total
___	___	History Scholarship	\$1,000	\$1,000	\$2,000	
___	___	Your College Scholarship	\$1,500	\$1,500		\$3,000
___	___	Alabama State Grant	\$ 750	\$ 750		\$1,500
___	___	Fed Unsub Loan	\$2,750	\$2,750		\$5,500
<b>Totals</b>			<b>\$6,000</b>	<b>\$6,000</b>	<b>\$0</b>	<b>\$12,000</b>

Note: Summer awards are determined in April.  
Contact the Financial Aid Office if you plan to attend during the summer.

**All terms and conditions of this offer of financial assistance are described in the enclosed package. The awards listed above may change if you receive additional aid or if there are changes in your expected family contribution, institutional charges or aid program regulations or funding. Please contact the counselor above if you have any questions about financial aid.**

# SAMPLE AWARD LETTER

**YOU MUST TAKE THE STEPS INDICATED BELOW WITHIN THREE WEEKS OF THE DATE OF THIS NOTICE OR YOUR AWARDS WILL BE CANCELLED.**

1. **Mark** “Accept” or “Reject” for each type of aid awarded.
2. **Complete** the information below.
3. **Sign** your full name and enter the **date** you sign the form.
4. **Send all pages** of the signed and dated copy of this award letter to the Office of Student Financial Aid at the address on the first page. Keep the second copy for your records.
5. **To accept an amount less than offered, please write the amount you wish to accept (divided evenly) beside the amount offered and initial.**

## **ACCEPTANCE CERTIFICATION, TITLE IV PAYMENT AUTHORIZATION, AND FERPA RELEASE**

I understand that all initial awards are based on full-time enrollment and will be adjusted if my actual enrollment is less than full-time and that any award indicated above is valid only when all related documents or processes have been completed and submitted as required. I also understand that any federal or need-based aid in this award will be canceled if I am not enrolled in a degree or certification program or if I fail to maintain satisfactory academic progress toward my degree or certification.

### **TITLE IV PAYMENT AUTHORIZATION**

I hereby authorize my Title IV funds to be used for payment of the following institutional charges (if assessed): late registration fees, reinstatement fees, locker fees, lab fees, health fees, returned check fees, dormitory/apartment damage fees, graduate student/family housing charges, short-term loan principal, loan service fees, loan late fees, loan interest, music fees, study abroad program fees, computer/printer/software equipment charges, any outstanding minor prior year charges and miscellaneous program or course fees. If left blank, an answer of “No” will be assumed.

Yes  No

### **FERPA RELEASE OF INFORMATION**

The Family Educational Rights and Privacy Act of 1974 (FERPA) is a federal law designed to protect the privacy of a student’s education records. I hereby authorize the Financial Aid Office to provide requested information as indicated below. If left blank, an answer of “No” will be assumed.

My Parents:  Yes  No My Spouse:  Yes  No

This is voluntary authorization and you may rescind any or all provisions of the authorization at any time by contacting the Financial Aid Office. You may choose to authorize that your Title IV funds be used to pay any or all of the above stated charges. Any balances owed the student/parent after paying tuition and fees, contracted room and board and the above authorized charges (if any) will be mailed to the student within 14 calendar days of the later of (a) the date the balance occurs on the student’s account; (b) the first day of classes of the payment period; or (c) the date the student/parent rescinds his/her authorization for the school to retain funds in excess of the amount needed to cover allowable charges. Your College does not earn any interest on funds owed to the student/parent after Title IV funds are applied to outstanding charges.

**Sign Your Full Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

You will be notified of any changes to your awards.  
You should keep a copy of this and any subsequent award letters for your records.

# THE REAL COST

---

Let's look at what you need to know about costs and financial aid from the schools you're applying to.

First of all, find out what financial aid forms you have to fill out and what the deadlines are. Some schools also have an application for institutional aid. Ask the financial aid office about any aid programs it has in addition to state and federal programs.

Secondly, find out how much it will cost to attend each school for a year. You'll want the costs broken down by:

- Tuition
- Fees.
- Room
- Board.
- Books and supplies.
- Transportation.
- Personal expenses.

In Chapter 3, you'll find costs for Alabama colleges. Look at those costs closely.

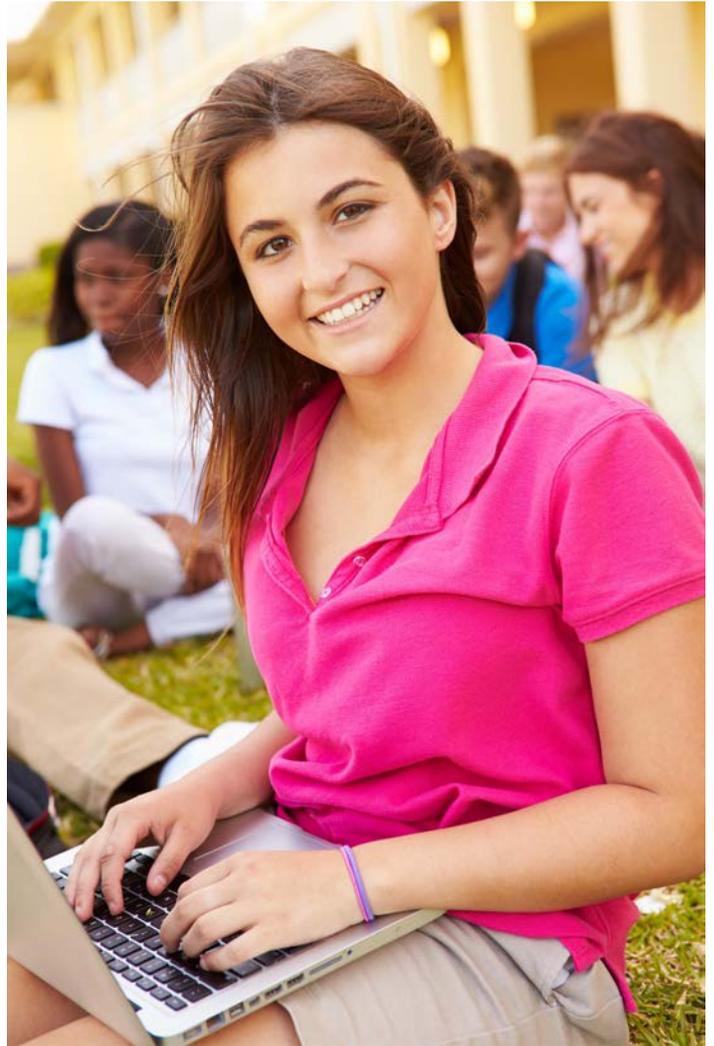
You should ask the financial aid office how local scholarships will affect your financial aid. You should also ask if financial need will affect the school's decision about admitting you.

Other things to check on include:

- If your award will be reconsidered if your family's financial situation changes.
- If you can expect roughly the same financial aid package each year.
- How much of your package includes student loans and parent loans.
- What the average loan debt of incoming freshmen is expected to be.

Finally, ask the financial aid office for a list of everything it needs from you if you accept the package

You may be able to appeal an award offer. State and federal programs generally have limits on how much you can receive. Beyond that, though, many schools have their own funds. If you really want to go to a particular school but the financial aid package isn't quite what you want, talk with someone in the financial aid office. The school may be able to come up with more aid.

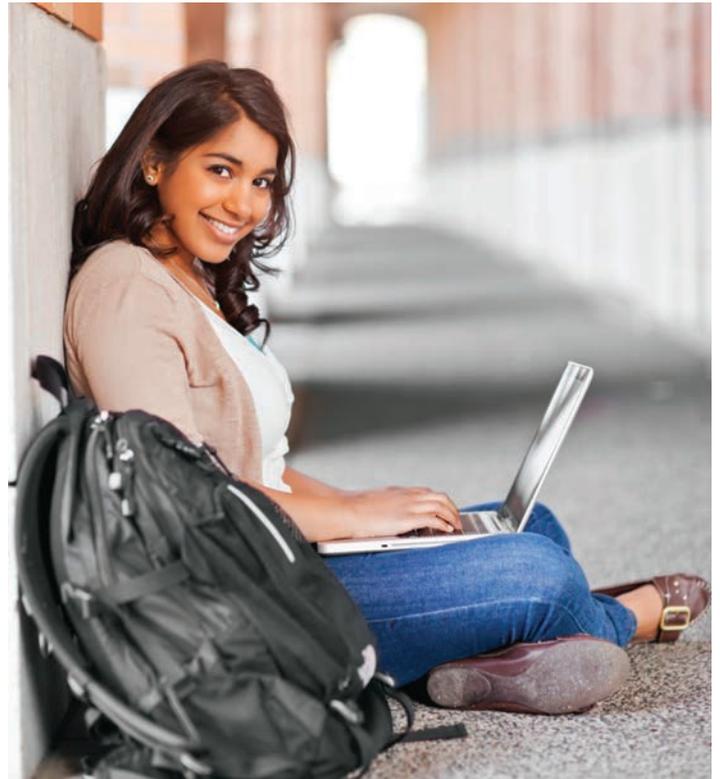


# MONEY 101

Learning to manage your money will lead to a less stressful life. Start by setting up a realistic budget, which tracks the money you make versus the money you spend.

Is there a better deal that costs you less? It's your job to find out — or pay the difference!

Knowing how and when you get your money and where you spend it is the foundation of financial planning.



## BUDGETING

To create a budget, estimate your monthly income and expenses.

Your biggest goal is to have more money at the end of the month. Some experts suggest putting 20 percent of your income in savings, living off the other 80 percent. That's not always realistic, but you should save as much as you can by using direct deposit to a separate savings account.

Don't think you make enough to save anything? Check your receipts and spending records to find more ways to save money. Do you really need sodas from the vending machine or dining out all the time? Watch your spending, and see your savings grow!

Use the budget guide on this page to get an idea of how you stand financially.

Income	Budget	Actual	Difference
Job #1	\$	\$	\$
Job #2	\$	\$	\$
Allowance	\$	\$	\$
Other income	\$	\$	\$
Total monthly income	\$	\$	\$
<b>FIXED EXPENSES</b>			
Car payment	\$	\$	\$
Car insurance	\$	\$	\$
Credit card	\$	\$	\$
Savings	\$	\$	\$
Food	\$	\$	\$
Other	\$	\$	\$
<b>VARIABLE EXPENSES</b>			
Bus fare	\$	\$	\$
Gas	\$	\$	\$
Parking	\$	\$	\$
Car repairs	\$	\$	\$
Clothing	\$	\$	\$
Entertainment	\$	\$	\$
Personal items	\$	\$	\$
School expenses	\$	\$	\$
Total Monthly Expenses	\$	\$	\$



## INSURANCE

The insurance you'll need depends on your lifestyle. You may need car, health, renter's, homeowner's or other insurance.

**Car insurance:** Because teens and young adults don't have as much driving experience as adults, they're bigger risks and will pay more than someone who's older. Alabama requires drivers to carry liability insurance to cover damage to someone else's property or person. Collision insurance covers repairs to your car if you have an accident. Unless you owe money on your car, you probably don't have to have collision coverage, especially if your car is older. That will save you money — unless you have an accident.

**Health insurance:** Ask your parents if you're still covered under their policy and, if so, for how long. Federal law lets parents provide health insurance until a child is 26. Keep in mind that laws can change at any time. Once you graduate and get a job, you may be able to get insurance through your employer.

**Renter's/homeowner's insurance:** If you're renting, consider renter's insurance. It can pay you if your belongings get stolen, burned in a fire or blown away by a tornado. Check your parents insurance to see if you're covered by an off-premises provision of their policy. When deciding on coverage, consider replacement vs. actual cash value. Replacement means you'll get the same new item; actual cash value will give you an amount based on its used value. If you have any expensive items, consider buying a rider on those items.



Credit Balance	Interest Rate	Minimum Payment
\$1,500	22%	\$30

If you only pay the minimum payment, it will take you over **11 years** to pay back, PLUS you'll pay **\$2,603** in interest.

## CREDIT CARDS

How can textbooks and pizzas cost you big time? It's easy: charge them to a credit card and don't pay the card off each month.

Let's say you have a credit card with a line of credit of \$2,000. But after pizzas, books and all the other things that you just didn't have the cash for, you owe \$1,500.

The only payment may be \$25 or \$30 a month. But if you only++ make the minimum or skip your payments for a couple of months, you can get in financial trouble.

Before buying, ask yourself if you can really afford it. Once you've figured out how much you can responsibly charge on your cards, keep track of your spending just like you do for your bank account. When you've hit that limit, stop using your card.

## WHY WORRY?

You're building a credit score. If you pay your bills late, it will affect the interest you pay on your credit card or car, your apartment deposit, even your insurance. When you get a bill, pay it on time.

A credit score is based on your payment history. The higher the score, the less risk lenders see in loaning you money.

If you can't pay a bill immediately, contact the lender to work out a payment arrangement. Don't ignore calls and letters from companies you owe. Explain everything in writing so you have a record of it. Most companies will work with you if you're honest with them. Look at your finances so you can tell your creditor what you can afford now and when your situation improves.

Any late payment stays on your credit report for seven years, even if you've completely paid off the creditor. It's better to start off on the right foot by establishing checking and savings accounts, pay all your bills on time, use your credit cards sparingly and pay the bill off every month.