

5 STEPS IN PAYING FOR COLLEGE

Now that you've decided to attend college, allow Sallie Mae® to help you understand the costs. This sheet is packed with valuable advice on getting the financing you need to achieve your dream. For additional information on Saving, Planning, and Paying for CollegeSM, visit SallieMae.com—a comprehensive “going-to-college” resource for students and their parents.

THE FOLLOWING 5-STEP APPROACH ADVISES YOU ON SCHOOL COSTS AND FINANCIAL AID:

Step 1. Understand School Costs

Tuition, fees, room and board, books, miscellaneous expenses, and travel are some of the components that make up your total cost to attend a school, also known as Cost of Attendance (COA). Get familiar with these charges at schools that interest you.

Step 2. Determine Eligibility for Aid

To qualify for federal student financial aid, students:

- ▶ Must be enrolled as a regular student in an eligible program
- ▶ Cannot also be enrolled in elementary or secondary school
- ▶ Must have a high school diploma or equivalent, pass an approved ability-to-benefit test, or have been homeschooled
- ▶ Must make satisfactory progress
- ▶ Must meet enrollment status requirements
- ▶ Must have resolved any drug conviction issue

Step 3. Complete the FAFSA

Students seeking federal student aid to help pay for college should complete the FAFSA (Free Application for Federal Student Aid). Most federal, state, and many college programs get pertinent details from this form. Your official Expected Family Contribution (EFC) is generated from the information you provide on the FAFSA.

COMMON FINANCIAL AID MISTAKES

- Not applying early enough.
- Not reading instructions.
- Not fully completing applications.
- Not using the correct SSN.

Step 4. Expect to Pay

Your EFC reflects the amount your family is expected to contribute to your education, based on family earnings, net assets, savings, size of family, and number of students in college. To determine your financial need, a school will subtract the EFC figure from the school's COA.

Once your financial need is determined, a school will send you an award letter that lists scholarships, grants, work-study and/or loans you may receive to meet your financial need. Other loans such as Parent PLUS loans, also may be suggested to assist with your EFC if your family cannot meet it out of pocket.

FREE SCHOLARSHIP SEARCH

Our search engine is the perfect solution for everyone looking for scholarships to help pay for college!

- Easy-to-use without unnecessary questions.
- Database contains over 3 million scholarships worth more than \$16 billion with updates and additions made daily.
- A FREE service with no ads and no selling of user's personal info.
- Questionnaire profile also offered in Spanish.

Visit SallieMae.com/Scholarships

Step 5. Discover Ways to Pay

Many options are available to help meet your college expenses. Here are some of your choices:

- ▶ Scholarships and grants
- ▶ Work-study
- ▶ Tax credits and deductions
- ▶ State tuition programs
- ▶ Community and military service
- ▶ Individual Retirement Accounts (IRAs)
- ▶ Student loans

SCHOLARSHIP TIPS

- Be honest about your grades, experiences, memberships, qualifications, family finances, etc.
- Carefully follow instructions.
- Observe deadlines.
- Proofread everything before sending or submitting.
- Find creative ways to present yourself.
- Send thank you notes.

Glossary Terms

Award letter An official document issued by a financial aid office listing all aid awarded to the student. The award letter will include information about the cost of attendance and terms and conditions for the financial aid.

Borrower The person who applies for a loan and benefits from the proceeds.

Cost of Attendance (COA) The total cost to attend a postsecondary institution for one academic year. The COA usually includes estimated tuition, fees, room, board, supplies, transportation, and personal expenses.

Expected Family Contribution (EFC) Amount a family is expected to contribute to a student's education, based on family earnings, net assets, savings, size of family, and number of students in college.

Free Application for Federal Student Aid (FAFSA) The form that must be completed by students and parents applying for federal student aid.

Financial need The difference between the cost of attendance at a college and the EFC. Also known as financial aid eligibility.

Promissory note Contract between a borrower and a lender that includes the terms and conditions under which the loan must be repaid.

Student Aid Report (SAR) A report, summarizing financial and other information reported on the FAFSA, sent to a student by the U.S. Department of Education. The student's financial aid need is indicated by the Expected Family Contribution (EFC), which is printed on the SAR.

Student Financial Aid Financial assistance in the form of scholarships, grants, work-study, and loans for education.

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