



Paying for College

Questions Parents & Students Need to Ask

Sending your son or daughter off to college can be a stressful experience both emotionally as well as financially. Contacting the financial aid office at the college or university and asking the right questions will help ease your mind. Financial aid administrators are there to assist you in locating available financial aid and can also provide options on how to pay for college costs not covered by financial aid. Keep in mind that paying for college is a family responsibility that requires family decisions. Educational expenses most likely will be paid through a combination of federal, state and institutional grants; scholarships from numerous sources; college savings plans and family savings; student and parent loans; and student employment.

College Costs

When you think of the costs associated with a college education; tuition, room and board and fees probably come to mind. However, there are other costs that your son/daughter may incur. Keep in mind that there are many ways to meet college costs. Getting answers to the following questions may help you be prepared:

- What will it cost to attend college?
- What costs are taken into account when determining financial aid?
- Are there any additional costs that we can expect to incur (i.e. books, technology fees, travel expenses, parking fees, membership dues)?
- Are there other fees that could be charged to our bill (i.e. parking tickets, library fines, long distance charges, purchases, etc.)?
- What has been your average increase in tuition over the past few years?
- Can you provide us with an early estimate of our financial aid award?

Applying for Financial Aid

The financial aid process is not as complicated as most people think. Just about every family is eligible for some form of financial aid - grants, scholarships, work-study or student loans. To receive this aid you must complete the Free Application for Federal Student Aid (FAFSA).

The FAFSA is a standardized form used to determine your child's financial need. In addition to the FAFSA, some colleges and universities may have additional forms to complete. Most colleges and universities also have priority deadlines. Your FAFSA must be filed on or before these dates to be considered

for limited federal, state or institutional financial aid. The following questions will help clarify the financial aid process:

- Do we need to apply for admission and be accepted before we will be considered for financial aid?
- What is the priority deadline for submitting financial aid applications?
- Do we need to complete any other forms in addition to the FAFSA?
- Who is our contact in the financial aid office if we have questions?
- If we are confused about our FAFSA results, what should we do?
- When will we be notified about the amount of assistance we can expect?
- How do we accept or decline the financial aid offer?
- If our financial circumstances change, what should we do?

Paying for College

The financial aid package prepared by college officials to meet your family's specific needs may not cover all educational expenses. The following questions will help you understand the payment options available and determine the best financial strategies to meet the remaining costs.

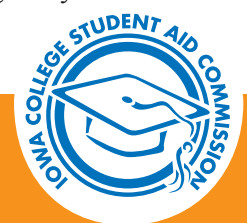
- How much will we need to pay out of pocket?
- What are our options for paying any remaining balance (i.e., payment plans, institutional loans, parent loans)?
- Will we get the same financial aid award every year? Are there ways eligibility can be lost?

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- Do you offer student employment on campus? How do students find employment?
- How does student employment affect the balance we owe?
- How much of the financial aid award will consist of loans?

Student and Parent Loans

If you still need money to cover educational expenses after other forms of aid and family savings have been exhausted, student and parent loans are good options. Keep in mind that financing a college education is a family's responsibility. Students can assume some loan debt, but parents should play a role as well. If both students and parents borrow responsibly, both are more likely to be successful in repaying their loan obligations. Ask the following questions to help your family make the best financing decisions:

- How much do we need to borrow to pay our balance?
- What student loan options are available?
- What parent loan options are available? What are the advantages of parent loans?
- Are there any money-saving borrower benefits or interest rate discounts available? How do we qualify for the benefits? Are there ways we could lose the benefits?
- What are the interest rates and fees?

Factors to Consider When Evaluating Financial Aid Awards

1. Look at the cost of attendance at each school and then look at how much of the financial aid award is from scholarships and grants, which do not have to be repaid, work-study, which is money you earn through part-time work, and loans, which do have to be repaid.
2. Are the scholarships and grants available for one year only or are they renewable each year?
3. Are there any conditions that must be met? For example, do you need to play a certain sport or maintain a certain grade point average?
4. Is the financial aid award, combined with your savings, enough to cover the cost of attendance?
5. Estimate monthly payments associated with borrowing different loan amounts to see if the payments will be reasonable after graduation.
6. Accept or decline awards by the required deadline so you don't lose financial aid opportunities.

- When will the interest start to accrue?
- What is interest capitalization and how does it affect my loan balance?
- When does loan repayment begin? How long is the repayment period? What will our monthly payments be?
- What is the average amount of federal student loan debt for graduating students at this college?
- When are student loan funds disbursed?
- What should we do if we decide we don't need all of the loan funds we received?
- Are there any loan cancellation or loan forgiveness options available?
- Is the interest paid on student and parent loans tax deductible?
- If we are denied a parent loan based on credit, what other options are available?

Tips for Working with Your Financial Aid Office

1. Use a calendar to make sure you don't miss any important deadlines.
2. Keep copies of all application forms and everything you used to complete them.
3. Keep a log of who and when you speak with someone in the financial aid office.
4. Respond promptly to any additional requests from the financial aid office.
5. After applying, follow up with the financial aid office to make sure they have everything they need.
6. Unless you plan on paying off the balance, don't charge college costs on your credit card. Instead, check into lower cost financing options such as payment plans and institutional loans offered by the college or Federal PLUS Loans.
7. Borrowers should pay at least the interest that accrues on unsubsidized loans while in school. Allowing the interest to capitalize will result in a situation where you are paying interest on interest.
8. Call ahead to make an appointment to make sure someone will be available.
9. Arrive to scheduled appointments on time and call ahead if you need to cancel.
10. Don't hesitate to ask questions!

