

Paying For College

Teaching you how to live debt free

FRESH START FORMS, LLC

Attention All H.S. Students: Apply, Apply & Apply.

In 2008, the price of one year at the University of Illinois will cost over \$20,000 (includes: tuition and room & board). Every year, the price of a higher education continues to climb higher and higher.

This leaves many students and parents asking: How will I ever be able to pay for college?

We believe this is not the question parents and student should be asking. They would be better fit asking: How can I reduce the amount I will have to contribute for this college education?

There are students around the world, getting high priced educations at little or no cost to them. They are doing this by following

three very simple rules. Our mantra for high school students is **APPLY, APPLY, and APPLY.**

Apply to great colleges; never sell yourself short. Apply for grants and scholarships. You would be surprised at the demand for qualified applicants for millions in scholarship funds.



Lastly, apply **yourself**. Would you like to earn \$100/hour right out of high school?

You have every opportunity to do so. We teach our clients and their children that applying for scholarships is financially rewarding.

Earn \$100/hour or better right out of high school

Let's do some math. If you spent 2 hours per day and 5 days a week, for (1) week; searching for and applying to scholarships, you would have invested 10 hours total into the process.

In those 10 hours, it is possible to have applied to 10, 15, or even more scholarships. If all you received was (1) scholarship for \$1000, you would

have netted \$100 per hour earnings. Now imagine if you applied for and won more than 1 out of every 15 scholarships you applied for.

Imagine if you dedicated yourself to a full month of scholarship applications. How much money do you believe you could have applied toward your college education?

The sky is the limit. Even small scholarships of \$300 and \$500 are worth the time and effort.

After all, every dollar you earn through a scholarship is a dollar you will not have to borrow and payback with interest.

Apply Yourself

This perhaps the most important tip of all.

Applying yourself academically gives you an opportunity to take AP (advanced placement) courses and earn college credit while in high school.

It is possible to begin your freshmen year with 15-25 hours of college credit already earned. A credit hour at a major university could cost \$150 or more.

Therefore, 15-25 credit hours could save you \$2,250-\$3,750 in tuition alone. The greater savings is in finishing college a semester or even two semesters earlier.

The sooner you complete your college education, the less you will need to spend on tuition and room & board expenses.

This is the real savings. Remember, one year at U of I costs over \$20,000.

There is a benefit to applying yourself that is far greater than graduating early and saving money.

This benefit is the value of a true education that you have given yourself. The more attention you apply to your studies, the better you will do in your courses and in your career.

By applying yourself earlier in life, you will have adjusted the working curve for the remainder of your life; making future challenges much easier to overcome.

You can start today, by asking better questions.



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FAFSA (Free Application for Federal Student Aid)

FAFSA is the financial aid application form you will need to apply for federal and state grants, work-study, and loans. The FAFSA comes in two versions—paper and electronic.

You can submit and track your application using FAFSA on the Web. Online is the easiest way to apply for federal aid; your data is checked before it is transmitted to the processing center, so there's less chance of making an error.

Before Your Apply

We recommend that you complete income tax returns before filling out the FAFSA—much of the information requested is the same. **Note:** you do not have to file your income tax return with the IRS before you fill out the FAFSA.

For more information visit:

<http://www.fafsa.ed.gov/>

Want to move FASTER?

Get a PIN

If you submit your FAFSA online, we recommend obtaining a U.S. Dept. of Education PIN. The PIN will serve as your electronic signature, and gives you the fastest way to submit your application. To get your PIN, you should simply fill out the brief application at <http://www.pin.ed.gov>.

Reminder: January 1 is the first day that you are eligible to file the FAFSA. Try to file as close to this date as possible, as college, and private aid deadlines may be earlier than federal deadlines. Pay attention to your colleges' priority financial aid deadlines.

After You Apply

Once you submit the FAFSA, it goes to a large processing center. Your family financial

information is passed through the “federal need” formula.

The Student Aid Report (SAR)

Your SAR summarizes the data from your FAFSA and indicates your official *Expected Family Contribution*.

You'll receive one of the following within a few days (if you filed your FAFSA electronically) to four weeks (if you mailed a paper FAFSA):

Sample SAR

- **Student Aid Report (SAR)**, if you applied using the paper FAFSA and did not provide a valid email address; or
- **SAR Information Acknowledgment**, if you applied using FAFSA on the Web but did not provide a valid email address; or
- An **email with a secure link** to access your SAR online, if you provided a valid email address when you applied.

Review your SAR Carefully

After receiving your SAR, carefully check it for mistakes. Compare the information listed on the SAR to a copy of your FAFSA, since the **Estimated Family Contribution (EFC)** listed on your SAR will determine the amount of aid you will receive.

5 Tips for Borrowing

1. Figure out which need-based loans you have been given and for what amounts.
2. Account for education cost, awarded aid, and family share, then settle on an amount you need to borrow.
3. Never borrow more than you need. You're not required to borrow the full amount of loan you've been offered.
4. Student employment as an alternative for borrowing.
5. If you take an additional, unsubsidized loan, consider making interest payments while in school. You'll end up having to pay back significantly less than if you delay the interest payments.

If you believe your information is incorrect, you can fix any mistakes by writing the correct answers on the Information Review Form that is on the back of the SAR. When the Information Review Form is complete, you can:

Contact your financial aid office to see if the school can send the corrections electronically, or mail the form to the address designated on the SAR.

Expected Family Contribution (EFC)

The EFC is a preliminary estimate of the amount your family can contribute to college costs. The EFC is sent electronically to your state scholarship agency, as well as to the colleges you listed on the FAFSA. State agencies and colleges will use the EFC to determine the size of your aid award.



Saving for College



Here are some of the more popular college saving choices:

State 529 College Savings Programs

These programs allow you to save money for college through state-sponsored investment accounts.

Earnings and withdrawals are federal tax-free. You can use the funds at any college or university, in any state.

State 529 Prepaid Tuition Programs

These programs allow you to lock into the tuition price being charged at the state's public universities in the year when you're enrolled in the program.

Earnings are guaranteed by the state to match in-state public tuition inflation.

You can learn more at:

<http://www.collegesavings.org/index.aspx>

Coverdell Education Savings Accounts

Formerly known as Education IRAs, these accounts let families put away \$2,000 per beneficiary, per year and use the money tax-free to pay for college expenses.

You can now use Coverdell funds to pay for elementary or secondary education costs.

There are income restrictions to make full contributions to a Coverdell account.

You can learn more about Coverdell ESA's at:

http://www.savingforcollege.com/coverdell_esas/

Roth IRA

You may withdraw your contributions to a Roth IRA to pay for college expenses without having to pay either income tax or the ten percent early withdrawal penalty.

Any investment earnings in your Roth IRA are also available for withdrawal without the ten percent penalty, but subject to regular income tax.

Learn more about the pros and cons of using your Roth IRA for college education funding at:

<http://www.fairmark.com/rothira/college.htm>

College Loan Options

When it comes to college loans; need-based loans have better terms. Consider those loans first. There are four main types of federal student loans:

Perkins Loans are need-based loans and are awarded by the financial aid office to students with the highest need. The interest rate is very low—5 percent—and you don't make any loan payments while in school.

Learn more at:

<http://www.ed.gov/programs/fpl/index.html>

Subsidized Stafford Loans are need-based loans with a fixed interest rate of 6 percent. With subsidized loans the federal government pays the yearly interest while you're in school.

Unsubsidized Stafford Loans aren't based on financial need and can be used to help pay the family share of costs. You're responsible for paying interest on the loan while in school. Learn more at:

<http://www.staffordloan.com/>

Private student loans: A number of lenders and other financial institutions offer private education loans to students. These loans are not subsidized and usually carry a higher interest rate than the federal need-based loans.

Learn more at:

<http://www.alternativestudentloan.com/>

Federal PLUS loans: The PLUS Loan program is the largest source of parent loans. Parents can borrow up to the full cost of attendance minus any aid received.

Learn more at:

<http://www.parentplusloan.com/>

!PARENTAL CAUTION !

It is a common goal of a parent to pay for their child's college education or at least help with the financial burden.

We offer a word of CAUTION before you seek to apply for Parent or Parent PLUS loans.

We consider loans to be the last option when trying to fund a college education. We feel even stronger about parents incurring student loan debt on behalf of their children.

3 reasons to avoid parent student loans

- Upon graduation, your child will have a greater earning potential than you will. Your child will be starting their professional career, while you will likely be preparing for retirement.
- Your child is much younger than you and will have a "lifetime" to work toward paying off this debt. On the other hand, you will have a shorter time horizon to settle your financial obligations before retirement.
- Lastly, the financial responsibility of student loan debt could motivate your child to finish school faster and also incur less debt while in college.



Financial Aid Calendar

This Calendar begins the summer before Senior Year...

Request college applications and financial aid information for the schools of your choice. Store applications and financial aid materials by colleges in respective folders.

Make a list or mark your calendar of all admission and financial aid deadlines.

Start to research scholarships online. Scholarships are generally available based on your interests, choice of study and achievements.



Meet with your high school counselor for help and tips on college applications and financial aid.

We recommend using the EFC calculator to help you determine if your family is eligible both federal and non-federal financial aid programs.

Visit: <http://www.finaid.org/calculators/finaidestimate.phtml>



If you are an **early decision** or **early action** applicant and are applying for financial aid; you will usually have to fill out a supplemental aid application using estimated income figures.

Merit- or need-based scholarships normally require early submission of "regular decision" applications to facilitate priority consideration.

If you are in this category, you may need to have your admission and financial aid applica-

tions submitted by winter to avoid missed deadlines.

Visit the websites of your respective college choices or review their literature to learn if they have institutional scholarships and specific deadlines.

If these scholarships require financial information or estimates; make sure this information is submitted to all scholarship programs that require them.



Apply for scholarships in time to meet application deadlines.

Request a Department of Education PIN number. The PIN serves as an electronic signature for FAFSA on the Web and significantly reduces processing time.



Apply for scholarships in time to meet application deadlines.

It is highly recommended you submit your FAFSA online. Visit FAFSA on the Web and familiarize yourself with the website's content and features.

Before winter vacation begins you can also request a Free Application for Federal Student Aid from your high school counselor.

Begin gathering financial documents and identity information necessary to complete your

FAFSA. A list of required documents is available online at www.FAFSA.com

Early decision and early action responses should arrive this month. If you are admitted to your early decision school and you have applied for financial aid you should also receive a financial aid award.

If you have questions about the financial aid award, contact the financial aid office directly. Make sure you understand the terms and conditions of the award before making a final decision.



Male students who will be 18 at the time they complete the FAFSA are required to register with Selective Service to be eligible for federal and state aid.

Students can register for Selective Service at the post office or through the FAFSA form. Call Selective Service toll-free at (888) 655-1825 for more information.

The Student Aid Report (SAR)

Your SAR should arrive anywhere from two to four weeks after the FAFSA is submitted. The Expected Family Contribution (EFC) figure is printed on the front page at the upper right.

If the SAR has not been received four weeks after submitting the FAFSA, call (800) 433-3243. If there are any errors on the SAR, make corrections and mail it back immediately.

If you provided a valid email address on the FAFSA, you will be sent a link to an electronic version of the SAR. Make corrections to the SAR online at FAFSA on the Web.



Income and asset figures from your tax return will be needed to complete the FAFSA.

It is recommended you and your parents complete your tax returns as early as possible; this will facilitate the process of completing your FAFSA.

Although, you will need data from your tax return to complete your FAFSA, you will not be required to file your tax returns with the IRS before you submit your FAFSA.

After January 1st, submit your FAFSA as soon as possible. Applying early improves your chances of receiving additional aid from as many sources as possible.



February is Financial Aid Awareness Month. Your high school or local college may host financial aid information nights or related activities. You will be able to learn more about the process and eligibility from these events.

February is the deadline for priority financial aid applications. Applications received by the priority deadline are given the highest consideration.

The Student Aid Report (SAR) should arrive anywhere from two to four weeks after the FAFSA is submitted. The Expected Family Contribution (EFC) figure is printed on the front page at the upper right.



Your FAFSA may be chosen for a routine process known as "verification," in which the information reported on the FAFSA is checked against copies of signed tax returns.

An asterisk next to the EFC figure on your SAR means your application has been selected for verification. If selected for verification, be sure to submit all requested documentation to the financial aid office in a timely fashion.

The Student Aid Report (SAR) should arrive anywhere from two to four weeks after the FAFSA is submitted. Admissions decisions and financial aid award letters can start to arrive this month. Start looking for summer jobs or internships to help offset some of your upcoming college expenses.



Admissions decisions and financial aid award letters arrive this month.

Most applicants are not aware that appealing their award letter is an option. You may want to appeal your award letter if your full financial need has not been met, or if your family's financial circumstances have changed.

Before May 1, make a final decision and mail the enrollment form and deposit check to your final-choice college.

Graduation is fast approaching and you may

be tempted to give into a case of Senior-itis.

RESIST: Your AP scores will determine how much college credit is granted for the following school year.

Remain focused and continue to prepare for those AP Final Exams. College credit for your AP classes can save you and your family hundreds if not thousands.

When you complete your AP Exams, make sure your scores will be sent to your final-choice college.

Remember to complete the institutional financial aid application for each college of your choice.



May

Close the financial aid gap. If it will be difficult for your family to pay the EFC for the semester, now is the time to start researching alternatives such as private loans.

Mastery Promissory Note (MPN) If student loans are part of your financial aid package, your college will send instructions about the loan application process.

You will need to complete and sign this form in order to receive Stafford or Direct Loan funds.

Winning Scholarships Made Easy

Applying for and winning scholarships is much easier than most students believe. Every year millions of dollars of scholarship funds remain un-awarded due to a lack of enough applicants. We have taken this intimidating process and broken it down to 5 simple steps.

Step 1: Search, search and search for scholarship opportunities. Scholarships are awarded based on a number of criteria including: your choice of study (your major), academic achievement (your grades), athletic associations, extra curricular activities, your location (city, state, country), your race, gender, religious background, future interests and even where your parents are employed. Do not limit your search options. Once you find these scholarships, apply to as many as possible.

Places to Search:

<http://www.scholarships.com/>

http://apps.collegeboard.com/cbsearch_ss/welcome.jsp

Complete the scholarship application. Every application will have a page or two of questions that you will be asked to fill out or answer. Be prepared, the application may require you to write a letter stating why you are a good candidate to receive this scholarship. Always prepare your statements in a word processor first; proof read your statement, spell check it and lastly, have someone else (friend or family) read your statement before you include it in your application.

Step 2: Prepare a personal statement. This personal statement should include information about your academic achievements, your aca-



June - August

Your first bill for the fall semester will arrive over the summer. Be sure to make your payment as quickly as possible.

A timely and successful completion of your forms and applications will ensure that all financial aid funds are credited to your student account before the beginning of the fall semester.

demio and career goals, your personal interests, and your involvement in your community. Be sure to keep this statement factual, do not embellish and refrain from being boastful. Not all scholarships will ask for a personal statement. For those scholarships that do, you will already be prepared.

Your personal statement will serve two primary purposes. The first will be for all applications that require one. The second purpose will be to help and guide your mentor as they prepare your outstanding letter of recommendation.

Step 3: Find qualified people to write your letters of recommendation. Most often, you will ask a former teacher, administrator, boss or manager to write a letter of recommendation for you. Most of these professionals will be more than happy to help you win a scholarship, but keep in mind these people are also busy and have obligations of their own. Help these individuals help you.

By presenting them with a personal statement, they will be better prepared to write a recommendation letter that includes more details about you and they will be less likely to drag their feet on this task.

Helpful tip: Do not wait until the last day before the scholarship deadline to request a letter of recommendation. Try to give your mentor at minimum of two weeks advance notice.

Step 4: Prepare a scholarship packet. A scholarship packet includes a completed

Now is the time to work and cover your first-year college expenses.

If you are planning on attending a college far from home, make your travel plans early. Booking your travel arrangements early could save you money.

Confirm your housing plans for the fall are set.

Award Letters

Read award letters carefully. Some awards require you to submit a written acceptance.

Some early action programs may admit a student but not send a financial aid award notice until later in the spring. Check the college's literature for more information.

scholarship application form, a well written personal statement, any additional documents requested and a self-addressed stamped envelope. You want to present this packet as complete as possible to your mentor(s). If your packet is orderly and complete, your mentor will have no trouble writing your letter of recommendation and submitting your application in a timely manner.

Step 5: You can ask the same mentor(s) to write (1) letter of recommendation for you and you can ask them to duplicate the same letter and send it to (8, 9, 12, even 20) different scholarships. This will be as simple as printing up the same letter, multiple times. There will be very little work for your mentor(s) to do, since you would have already completed the applications, provided the required documents and even stamped the envelopes needed to mail in the applications.

This will ultimately make the application process much easier to do on a large scale. Remember: every dollar won through scholarships and grants will be a dollar you won't have to borrow to pay back with interest.