

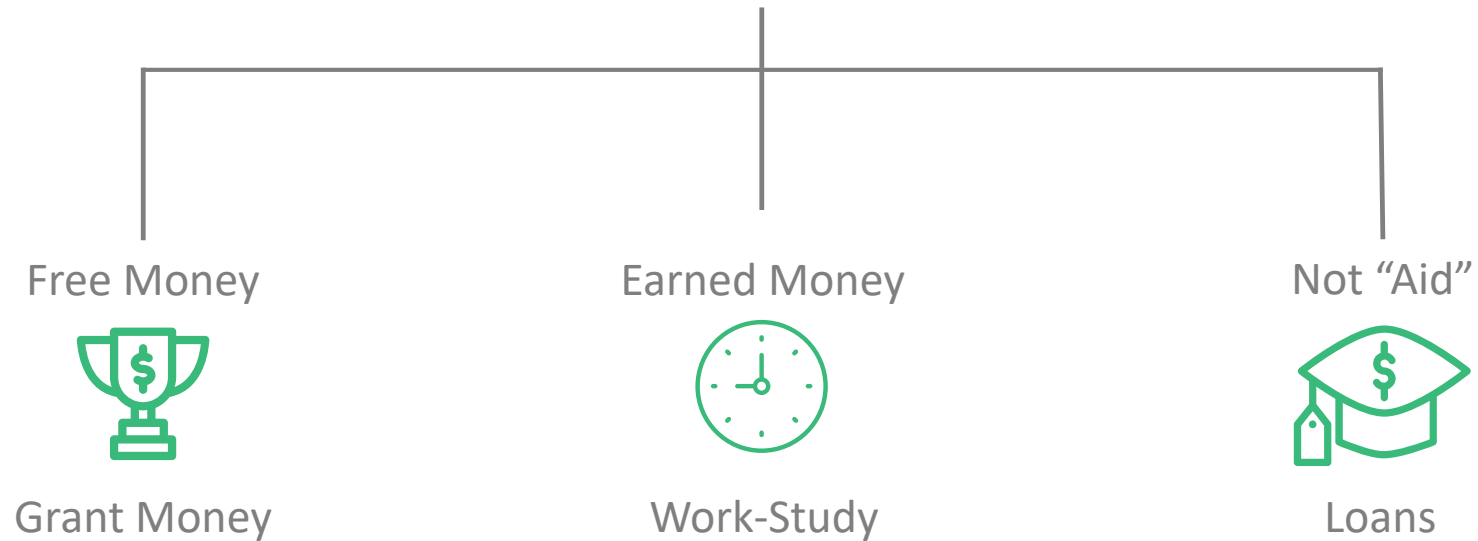
Ways to Pay for College: From Appealing Aid Award to Avoiding Loans

[#MyCollegeCorner](#)

MyCollegeCorner.org

The Financial Aid Award Letter

AKA “The Package”



TIP

Be wary of a Financial Aid Awards that are heavy with student and parent loans

How Much Do You Need?

Financial Aid Award Letter

Student ID: [REDACTED]

[REDACTED]

Dear [REDACTED],

Congratulations on your acceptance to [REDACTED] College! The College is pleased to provide you with your [REDACTED] financial aid award package.

Source	Spring	Fall	Total
[REDACTED] Scholarship	\$7,500	\$7,500	\$15,000
[REDACTED] College Grant	\$5,810	\$5,809	\$11,619
Federal Pell Grant	\$732	\$733	\$1,465
Federal SEOG Grant	\$250	\$250	\$500
Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
Federal Work Study Eligibility **	\$1,000	\$1,000	\$2,000
Total	\$18,042	\$18,042	\$36,084

Your estimated remaining cost is: **\$18,626**

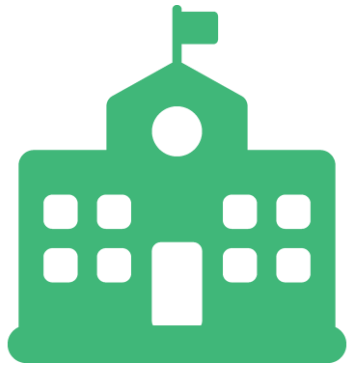
• Your estimated remaining cost is calculated by subtracting your Total Awards (not including Federal Work Study) from your total Direct Costs.

** Federal Work Study is not guaranteed and does not reduce your college bill. Students who secure a Work Study position will be paid by the college payroll office.

Before we can finalize your financial aid award, we will need the following document(s) to verify your eligibility:

- [REDACTED] Tax Verification - PARENTS*
- Dependent Verification Worksheet **
- Federal Direct Loan Entrance Counseling
- Federal Direct Loan Master Prom Note
- Student W-2 or 1099 Form

Total Costs



Net Price
(\$18,626)

+



Books &
Miscellaneous
(\$1,500)

+

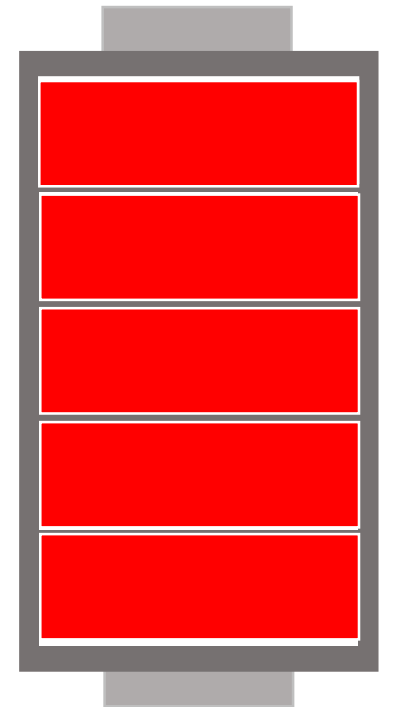


Travel
(\$800)

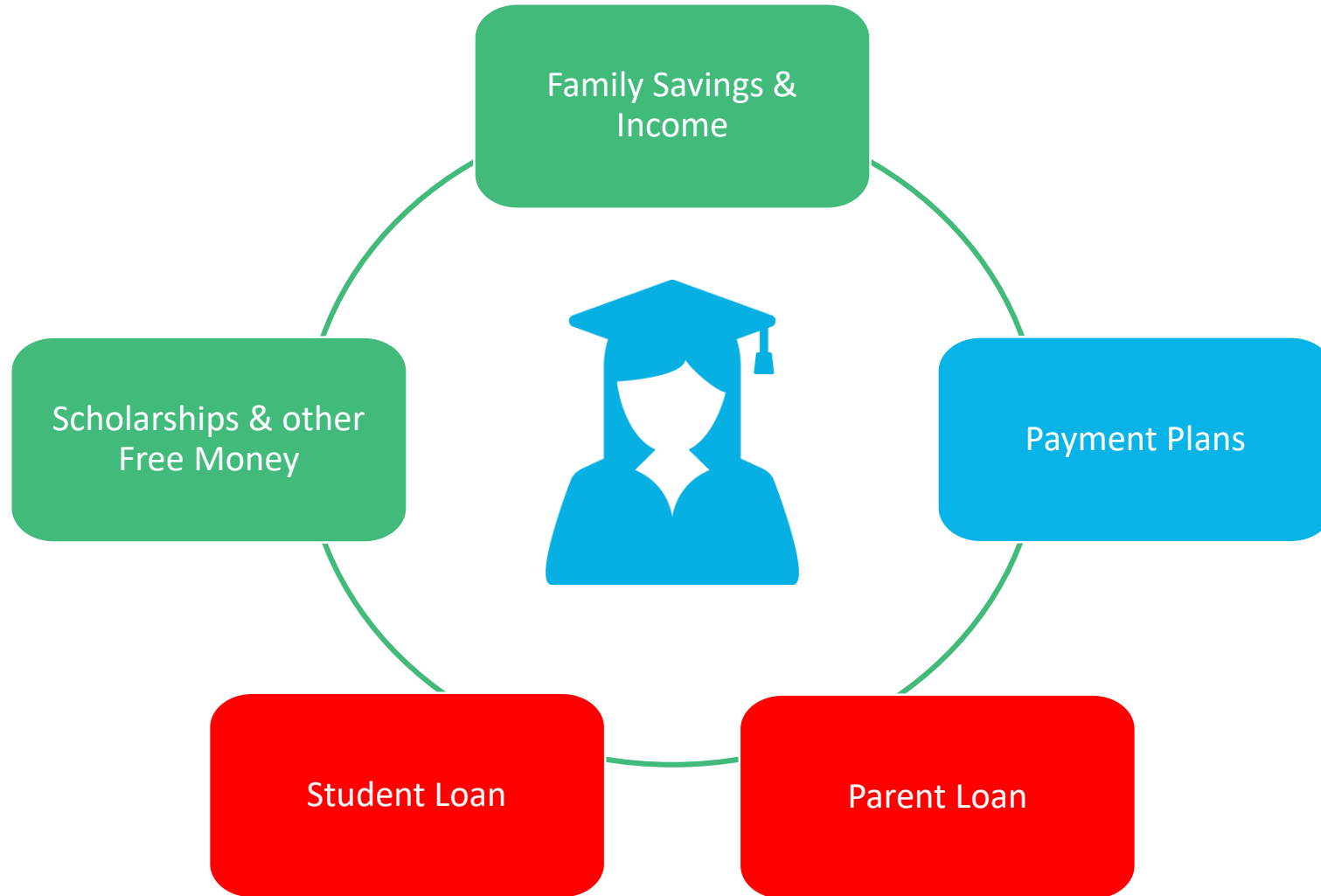
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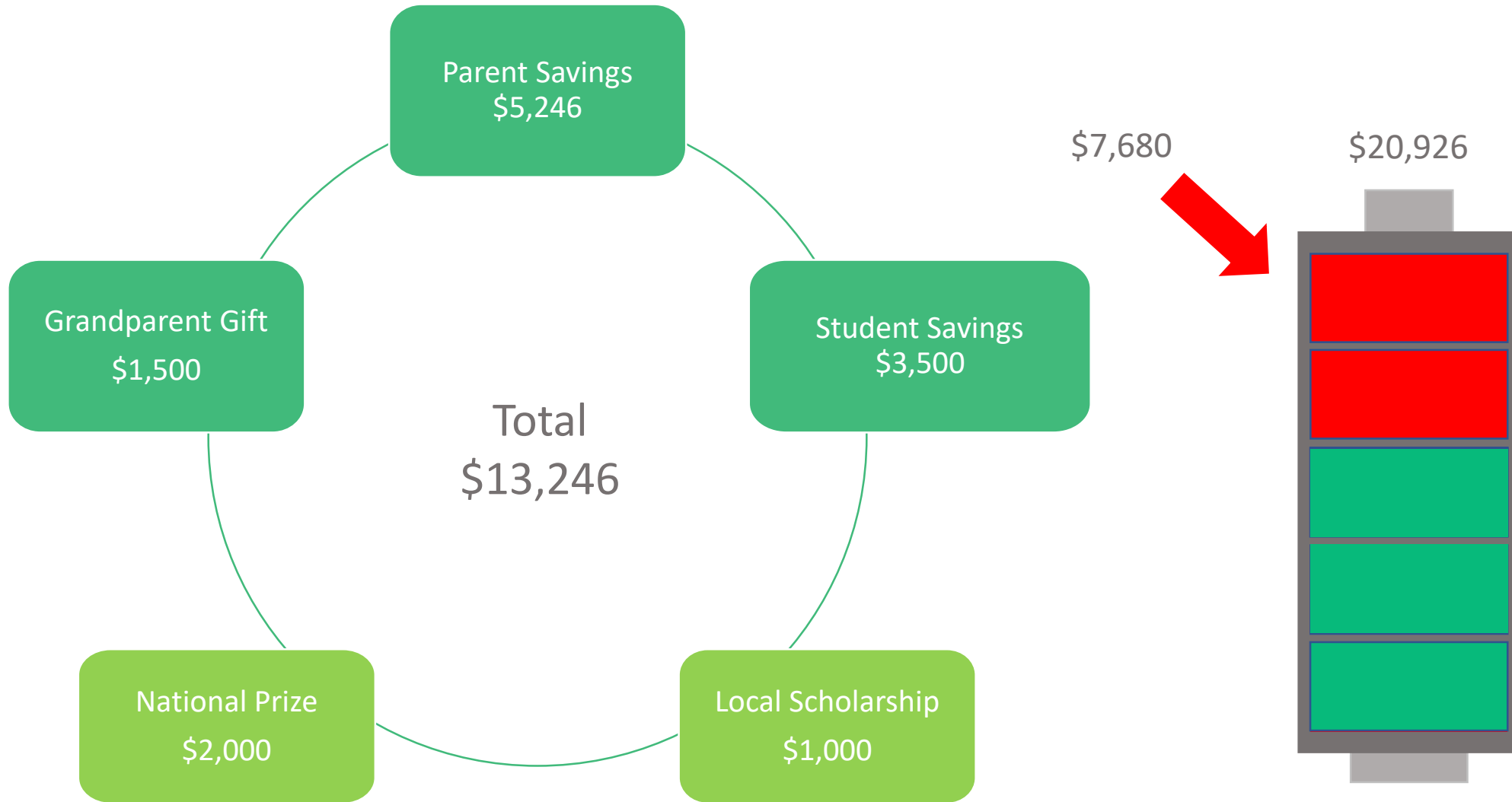
Total: \$20,926



How to Pay the Bill



Find Free Money



Now What? I owe \$7,680

What is my cost after financial aid?
\$7,680 Estimated Annual Balance

Options For You to Pay Your Estimated Annual Balance Due.
A combination of each option may be utilized.

Option #1	Option #2	Option #3	Option #4
<p>2 Payments</p> <p>Approximately one-half of the annual balance is paid on August 1 and the remainder is paid on January 3.</p> <p>\$3,840</p> <p>No interest accrues. For more information click here.</p>	<p>5-Month Semester Payment Plans</p> <p>Payment is distributed over ten months: June - March.</p> <p>\$768</p> <p>A \$50 enrollment fee per semester. No interest accrues. For more information click here.</p>	<p>Federal Parent PLUS Loan</p> <p>Parent of dependent student borrows on behalf of student. Amount includes approximate 4% origination fee.</p> <p>\$8,022</p> <p>Parents apply online after April 1, 2018 at: studentloans.gov.</p>	<p>Private Loan</p> <p>May require a co-signer on behalf of the student.</p> <p>\$7,680</p> <p>View Private Loan options at: www.elmselect.com.</p> <p><small>*Payment terms and fees vary</small></p>

Payment Plans

Option #1	Option #2
<p data-bbox="420 464 649 492">2 Payments</p> <p data-bbox="356 556 713 763">Approximately one-half of the annual balance is paid on August 1 and the remainder is paid on January 3.</p> <div data-bbox="356 778 713 842" style="border: 1px solid black; padding: 5px; text-align: center;"><p data-bbox="471 792 598 821">\$3,840</p></div> <p data-bbox="356 871 713 992">No interest accrues. For more information click here.</p>	<p data-bbox="764 464 1121 535">5-Month Semester Payment Plans</p> <p data-bbox="751 556 1133 656">Payment is distributed over ten months: June - March.</p> <div data-bbox="764 778 1121 842" style="border: 1px solid black; padding: 5px; text-align: center;"><p data-bbox="891 792 1019 821">\$768</p></div> <p data-bbox="764 871 1133 1085">A \$50 enrollment fee per semester. No interest accrues. For more information click here.</p>

Payment Plans

- Usually 1-time fee
- Uses monthly income to pay
- Minimizes loans

Parent Loans

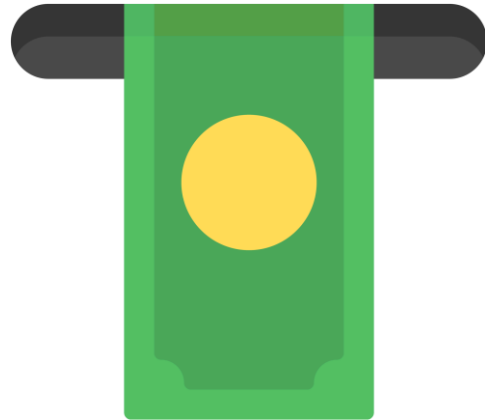
Parent Loans

- Federal PLUS: Be wary
- Private Credit: Need good credit
- Home Equity

Option #3	Option #4
<p data-bbox="1452 478 1758 549">Federal Parent PLUS Loan</p> <p data-bbox="1414 578 1796 799">Parent of dependent student borrows on behalf of student. Amount includes approximate 4% origination fee.</p> <div data-bbox="1414 813 1783 878" style="border: 1px solid black; padding: 5px; text-align: center;"><p data-bbox="1528 828 1668 863">\$8,022</p></div> <p data-bbox="1414 906 1796 1021">Parents apply online after April 1, 2018 at: studentloans.gov.</p>	<p data-bbox="1898 478 2165 506">Private Loan</p> <p data-bbox="1860 578 2204 678">May require a co-signer on behalf of the student.</p> <div data-bbox="1847 813 2216 878" style="border: 1px solid black; padding: 5px; text-align: center;"><p data-bbox="1961 828 2102 863">\$7,680</p></div> <p data-bbox="1847 906 2204 1021">View Private Loan options at: www.elmselect.com.</p> <p data-bbox="1834 1156 2229 1220">*Payment terms and fees vary</p>

Other Options

(that we don't love)

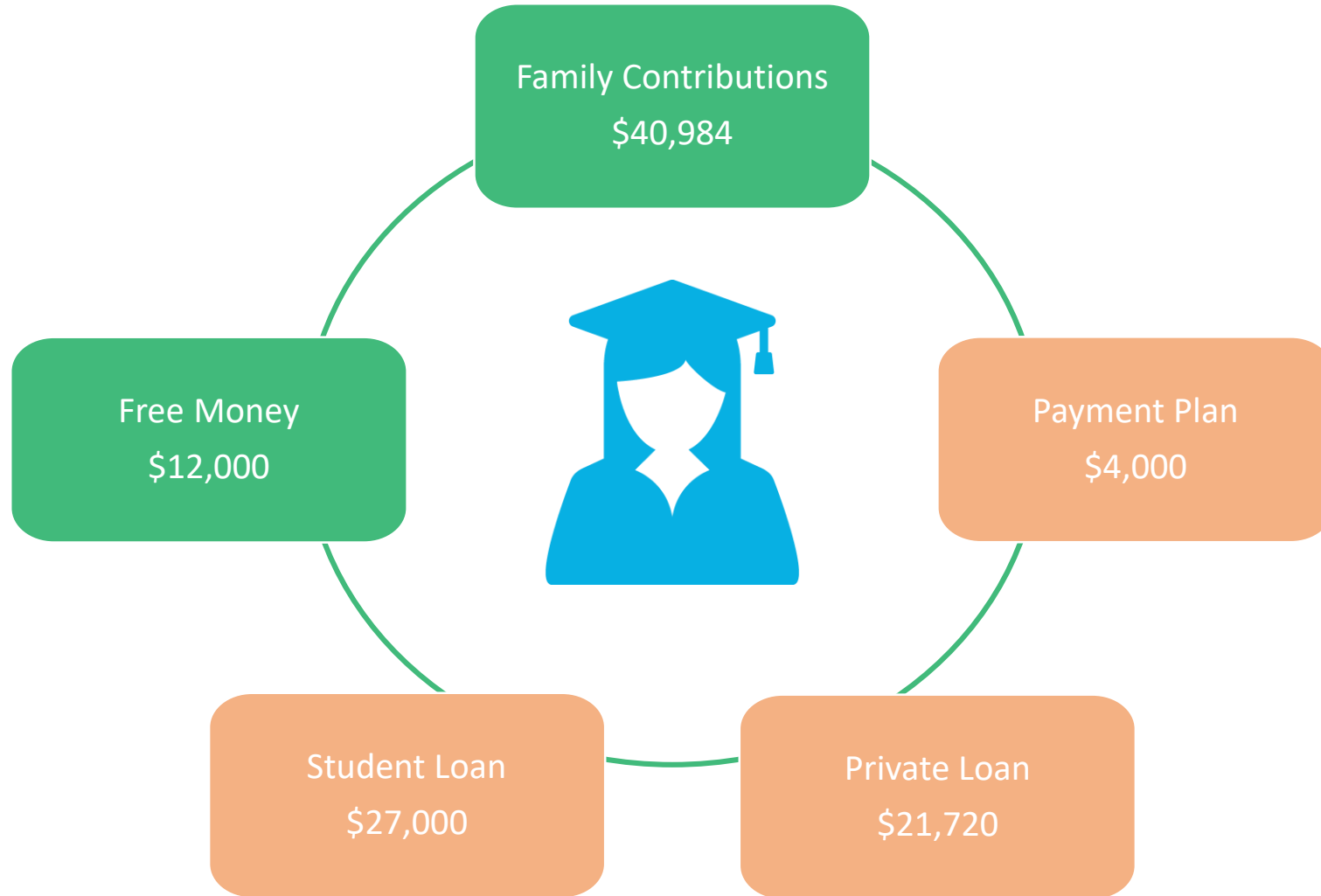


Retirement



Credit Cards

4 Year Picture

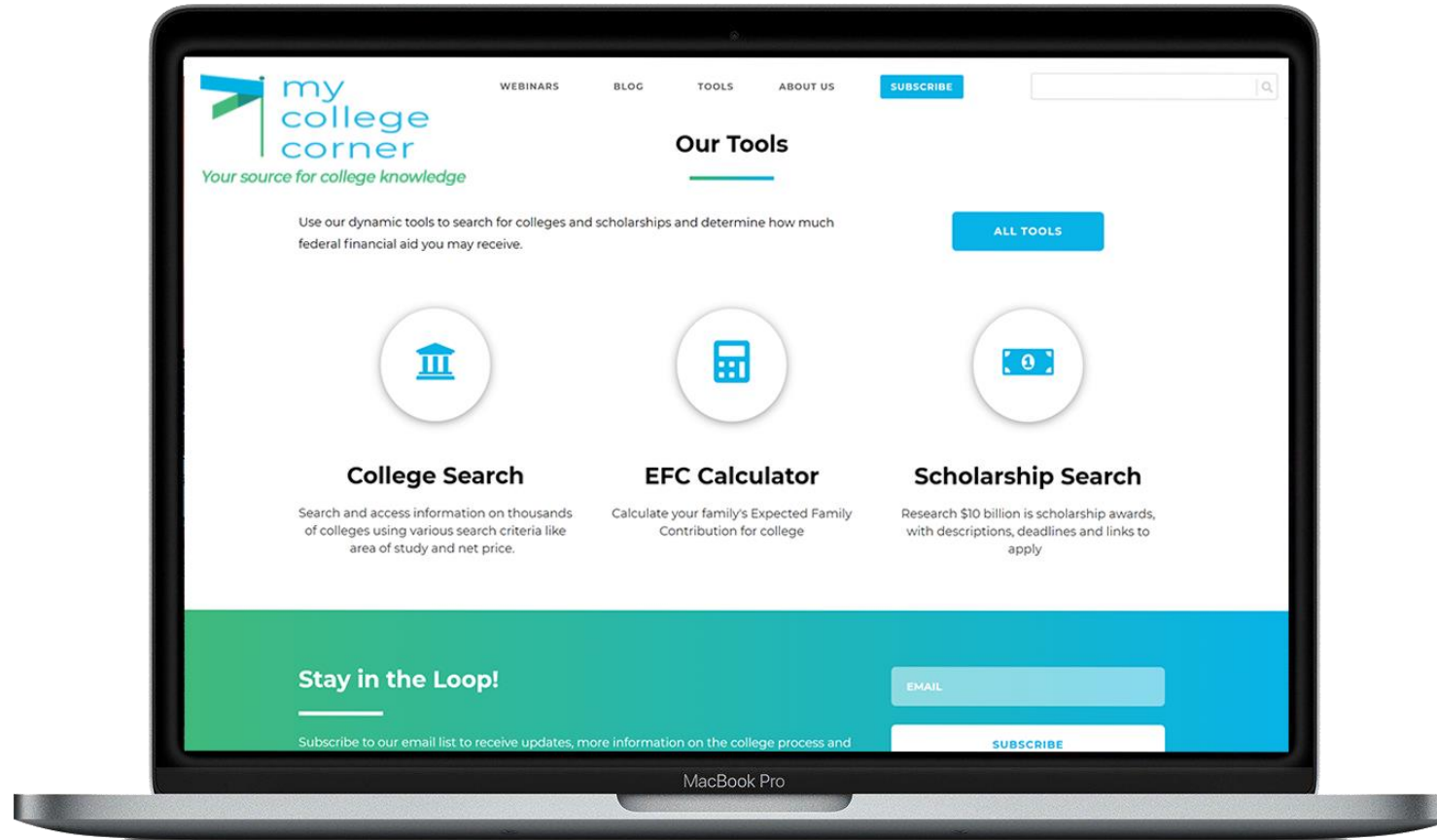


Important Principles When Choosing Options

1. Student loans: last resort, not first option
2. Don't endanger your retirement
3. Allocate scarce savings wisely



More Resources



www.mycollegecorner.org