



# Your 1-2-3 approach to paying for college

When you're planning for college, the first question is often which school to choose. But equally as important is the question of how you'll pay for it. That's why we've partnered with Sallie Mae® to bring you their 1-2-3 approach to paying for college. If you're not sure how you'll pay for college or what you can afford, taking it one step at a time can help.

## 1 Start with money you won't have to pay back.

### College savings

Begin with any college savings you or your family have been put aside for college.

### Scholarships

Scholarships are offered by colleges and universities, federal and state governments, religious groups, professional associations, employers, and other companies. Get the most free money possible. Scholarships aren't just for straight-A students or athletes, but they can be awarded for a number of criteria:

- Organization memberships
- Community leadership
- Financial need
- Ethnic, religious, or national background

Apply for scholarships—the earlier, the better, since many have deadlines.

### Grants and work-study

Grants and work-study are generally federally funded, so be sure to submit the Free Application for Federal Student Aid (FAFSA®) to apply for them. The FAFSA® is also used to apply for most state loan, grant, and scholarship programs.

- Pell Grants, the largest federal grant program, are based on financial need; unlike a loan, a Pell Grant doesn't need to be paid back.<sup>1</sup>
- Work-study programs are offered by federal and state governments, as well as schools. They offer part-time jobs that let students earn money to help pay education expenses.

## 2 Explore federal student loans.

There are several types of federal student loans, including Direct Subsidized Loans, which are based on financial need and Direct Unsubsidized Loans, which are available regardless of family income.

- You can apply for both by filling out and submitting the FAFSA®.
- They're issued in the student's name and the student is responsible for paying them back.
- They're eligible for income-driven repayment plans that link monthly payments to income.
- Federal loans may be eligible for loan forgiveness programs, such as the Public Service Loan Forgiveness Program for borrowers who are employed by a qualifying public service organization.



**Apply for scholarships every year you plan to attend college—not just for freshman year.**

### 3 Consider a responsible private student loan.

If you still need more money for school, a private student loan can help. Private loans differ from federal student loans in several ways:

- They're originated by banks and credit unions.
- They're credit-based: the lender reviews your credit score, history, and other information to determine if you qualify. A cosigner—parent, guardian, or other adult—may improve the chances of approval. Some lenders offer a cosigner release option.
- Your interest rate is based on several factors, including your creditworthiness.
- Private student loans may offer different features, terms and options, and benefits that can help reduce your interest rate and/or total loan cost.

<h3>Senior year checklist</h3> <p><i>Note: Timing for acceptance and school-specific financial aid information can vary by school.</i></p>	Summer	September/October	November/December
	<ul style="list-style-type: none"> <li>❑ Research schools online and request information from schools; consider visiting campuses.</li> <li>❑ Start searching and applying for scholarships.</li> <li>❑ Start researching and working on college application essays.</li> <li>❑ Start online Common Application.</li> <li>❑ Review the online FAFSA® information (fafsa.gov) to get a feel for questions and necessary documents</li> </ul>	<ul style="list-style-type: none"> <li>❑ Consider taking the SAT® or ACT®, depending on admission and scholarship requirements.</li> <li>❑ Complete admission applications.</li> <li>❑ Confirm your school counselor has sent transcripts to your selected schools.</li> <li>❑ Check to see if a College Scholarship Service (CSS®) Profile is required for any of your schools.</li> <li>❑ Ask for letters of recommendation (if needed)</li> </ul>	<ul style="list-style-type: none"> <li>❑ Consider taking/retaking the SAT® or ACT®. Increasing your test score may improve your chances of admission at schools that require a test score while enhancing your profile with scholarships that require them.</li> <li>❑ Stay on top of deadlines. Many schools have different application deadlines.</li> <li>❑ Submit FAFSA® beginning in December 2023 (fafsa.gov).</li> </ul>
January	February/March	April/May	June/July/August
<ul style="list-style-type: none"> <li>❑ Apps are due. January 1st is the universal deadline for most schools' applications. If you applied for early action, you could get your decision letter any day.</li> <li>❑ Fill out and submit additional college or state financial aid forms if required.</li> <li>❑ Apply for scholarships and stay on top of financial aid deadlines.</li> <li>❑ If you submitted a FAFSA®, review your Student Aid Report (SAR) to make sure the info is accurate.</li> </ul>	<ul style="list-style-type: none"> <li>❑ Check mail and email for college acceptance and financial aid offer letters.</li> <li>❑ If needed, discuss special financial circumstances with the financial aid offices for additional aid considerations.</li> </ul>	<ul style="list-style-type: none"> <li>❑ Review all award letters carefully.</li> <li>❑ Pay your admission deposit for the school you will be attending; let the other schools you've been accepted to know you will not be attending.</li> <li>❑ Review financing options; if a private student loan is needed, borrow responsibly and consider a cosigner.</li> <li>❑ If applicable, confirm with your school that you have met the necessary requirements to secure on-campus housing.</li> </ul>	<ul style="list-style-type: none"> <li>❑ Pay first tuition bill.</li> <li>❑ Start packing!</li> <li>❑ Attend orientation and register for classes.</li> <li>❑ Don't forget: it's also the time to have fun!</li> </ul>

#### Borrow responsibly

We encourage students and families to start with savings, grants, scholarships, and federal student loans to pay for college. Students and families should evaluate all anticipated monthly loan payments, and how much the student expects to earn in the future, before considering a private student loan.

<sup>1</sup>See <https://studentaid.gov/understand-aid/types#grants> for more information.

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