

Planning Your Future



FOR
JUNIORS



Introduction

If you're puzzled about how to pay for college, you're not alone. Whether you're planning to go to a large university or a small technical school, consider what your education will cost and how to pay for it. Because financial aid is available, don't rule out a school based on cost alone.

Making the transition to college takes planning. KHEAA–Alabama hopes this booklet helps make the planning easier by providing some basic information about student financial aid.

See if you can find eight types of financial aid hidden in the puzzle below, then read on to learn more about them.

Types of Financial Aid

W V Q M T H Y A L A E S H Q S Q X S
Y S N A O L N O I S R E V N O C E C
D Z C K S Q S C Y R T N V N J O F H
R M I L I T A R Y B E N E F I T S O
S I Y K Z E T U E X E K A B W F Z L
K N R D Z U C B W V A X J R W N K A
E E P H U P T K Y Z I N S S G R J R
H W N O I T I U T D I A P E R P F S
E Z C P L Y S J F T Z P W F D P Y H
K G V O U L L K G V N B E K M J U I
P Z A H S D K L R M S A V H U O V P
R N A V R X P I M O M Z S X V V I S
S I T A K X C P P H W V E V Y O F M

- Conversion Loans
- Grants
- Loans
- Military Benefits
- Prepaid Tuition
- Scholarships
- Waivers
- Work-Study

Financial Aid Questions and Answers

Q: What types of financial aid are there?

A: The most common are:

Grants: Aid that normally doesn't have to be repaid. Grants are based on financial need.

Scholarships: Aid based on skill, ability, talent or achievement. These are merit-based and generally do not have to be repaid.

Waivers: An arrangement that cancels specific costs if you qualify. For instance, if one of your parents was a firefighter killed or disabled in the line of duty in Alabama, some schools will grant you a waiver.

Conversion scholarships/loans: Scholarships that require you to provide certain services for a period of time or pay back the money with interest.

Work-study: A part-time job working on or off campus that lets you earn money for college.

Loans: Money you borrow to help pay the cost of education. It must be repaid.

Military benefits: Financial aid available if you or your parents are in the military, are veterans or are preparing to enter the U.S. Armed Forces.

Prepaid tuition: A contract purchased to guarantee fully paid undergraduate tuition for a fixed number of credit hours at a participating college.

Q: Who provides financial aid?

A: Schools, state and federal governments, and local organizations provide financial aid. However, you and your family have the primary responsibility for meeting college expenses to the best of your ability.

Q: How can I invest for college?

A: With Alabama's Higher Education 529 Fund, you and your parents can begin saving for a college education with as little as \$25 a month. Qualified withdrawals are exempt from state and federal taxes. For more information, visit www.collegecounts529.com.

Q: How is financial aid awarded?

A: It's awarded on the basis of financial need (need-based) or on the basis of academic achievement, athletic ability or other talents or abilities (merit-based).

Q: How do I apply?

A: The application for most state and federal financial aid programs is the Free Application for Federal Student Aid (FAFSA). You can file your FAFSA online at www.fafsa.gov.



The information you provide is used to determine how much your family is expected to pay toward the cost of your higher education.

You should check with the school you plan to attend to find out whether additional application forms are needed. For example, Federal PLUS Loans require separate applications in addition to the FAFSA.

Q: When do I apply?

A: File your FAFSA as soon as you can. Students who will be high school seniors in the 2016-17 school year can file as early as October 1, 2016. Students who file early have the best chance of receiving financial aid for which they're eligible. Deadlines for financial aid programs vary. If you don't know the deadline, check with the financial aid office, your high school counselor or the contact for program information.

Q: How much does college cost?

A: It depends on what school you go to and the degree you're working on. Check with schools you want to attend to find out the latest costs and what kind of financial aid is available. You may find that it won't cost you any more to go to a high-priced school than a lower-priced school.

But you won't know unless you ask. You can evaluate the costs of different schools by using the "Financial Aid Package Comparison" in the back of this book.

Q: Where can I learn more about financial aid?

A: The next two pages show a chart of the major financial aid programs for Alabama students. Your counselor or the financial aid officer of a school you're interested in attending can provide more detailed information about these and other financial aid programs.

Check online for financial aid information at www.alstudentaid.com, the website of KHEAA-Alabama.

Major Financial Aid Programs for Alabama Students

This chart provides general, at-a-glance information. For more details, see your guidance counselor or the financial aid officer at the school you plan to attend.

Type	Programs	General Eligibility	2015–2016 Award Amounts	Program Administrator	Application
Grants	Alabama Student Assistance Program Grant	Alabama resident and undergraduate with financial need attending an eligible school at least half-time	From \$300 to \$5,000 per academic year	Alabama Commission on Higher Education	FAFSA
	Alabama Student Grant	Alabama resident and undergraduate enrolled at an eligible in-state private school at least half-time	Up to \$1,200 per academic year	Alabama Commission on Higher Education	Contact the school's financial aid office
	Federal Pell Grant	Undergraduate with financial need and no bachelor's or higher degree	Set by federal government each year; up to \$5,775	Participating colleges	FAFSA
	Federal Supplemental Educational Opportunity Grant (FSEOG)	Undergraduate with no bachelor's or higher degree and exceptional financial need	Up to \$4,000 per academic year, depending on need	Participating colleges	FAFSA
	Iraq and Afghanistan Service Grant	Student who is not Pell-eligible; whose parent/guardian died as a result of military service in Iraq or Afghanistan after Sept. 11, 2001; under age 24 or enrolled at least part-time in college	Up to \$5,382 per year	Participating colleges	FAFSA
Scholarships	Alabama Indian Scholarship	Alabama resident with tribal roll card attending an Alabama school	Varies. Deadline is first Friday in March.	Alabama Indian Affairs Commission	Write the commission at 771 S. Lawrence St., Suite 106, Montgomery, AL 36130; call (334) 242-2831; or fax (334) 240-3408
	American Legion Auxiliary Scholarship	Alabama resident and child/grandchild of a WWI, WWII, Korea, Vietnam, Beirut, Grenada, Panama. Persian Gulf or Iraqi Freedom veteran	To be applied toward tuition, fees and room and board. Deadline is April 1.	American Legion Auxiliary	Send self-addressed stamped envelope to American Legion Auxiliary, 120 N. Jackson St., Montgomery, AL 36104
	American Legion Scholarship	Alabama resident and child/grandchild of a WWI, WWII, Korea, Vietnam, Beirut, Grenada, Panama. Persian Gulf or Iraqi Freedom veteran	\$850, renewable yearly at participating schools. Deadline is April 1.	The American Legion	Send self-addressed, stamped envelope to Department Adjutant, The American Legion, P.O. Box 1069, Montgomery, AL 36102
	Two-Year Community College Athletic Scholarship	Full-time student with demonstrated athletic ability	Tuition and books	Alabama Community College System	Contact the school's financial aid office, coach or athletic director
	Two-Year College Academic Scholarship	Student with demonstrated academic merit	Tuition and books	Alabama Community College System	Contact the school's financial aid office
Conversion Scholarships/Waivers	Federal TEACH Grant	Undergraduate/graduate student with 3.25 GPA, above 75% on undergraduate or graduate admissions test. Must teach full-time for four years in a high-need field serving low-income students.	Up to \$4,000 per year for undergraduate student; up to \$8,000 for graduate student	Participating colleges	FAFSA

Type	Programs	General Eligibility	2015–2016 Award Amounts	Program Administrator	Application
Waivers	Alabama Scholarship for Dependents of Blind Parents	Dependent of a blind Alabama resident who is head of household with financial need	Instructional fees and tuition	Alabama State Department of Rehabilitation Services	Call (256) 362-0638 or (800)441-7607
	Police Officer's and Firefighter's Survivor's Educational Assistance Program	Dependent or spouse of Alabama police officer or firefighter killed in the line of duty in Alabama	Tuition, fees, books and supplies at an Alabama public college	Alabama Commission on Higher Education	Call (334) 242-2273
Loans	Federal PLUS Loan	Graduate student or parent or stepparent of a dependent undergraduate student enrolled at least half-time in an eligible program at an eligible school	Contact the school's financial aid office (maximum amount equals cost of attendance minus all other financial aid)	U.S. Department of Education	FAFSA and Master Promissory Note
	Federal Stafford Loan	Undergraduate, graduate or professional student enrolled at least half-time in an eligible program at an eligible school	Maximums for undergraduate: \$5,500–\$12,500; graduate or professional: \$20,500	U.S. Department of Education	FAFSA and Master Promissory Note
	Nursing Student Loan	Nursing student with financial need enrolled at least half-time	Varies	Participating colleges	Contact the school's financial aid office
	Primary Care Loan	Medical school student with financial need	Varies	Participating colleges	Contact the school's financial aid office
Work-Study	Federal Work-Study Program (FWSP)	U.S. citizen or eligible noncitizen with financial need enrolled at an eligible school	At least the federal minimum wage (maximum amount equals cost of education minus all other financial aid)	Participating colleges	FAFSA
Military Benefits	Alabama GI Dependent's Educational Benefit Program	Student at an Alabama public college who is the child, spouse or unremarried widow/widower of an eligible Alabama veteran	Tuition, instructional fees and book assistance	Alabama State Department of Veterans Affairs	Call (334) 242-5077; contact a county veterans service officer; or visit www.va.alabama.gov
	Alabama National Guard Educational Assistance Program	Alabama resident and active member in good standing with a federally recognized unit of the Alabama National Guard	Tuition, educational fees, books and supplies at an Alabama public college; limited to \$1,000 each term / \$2,000 each year	Alabama Commission on Higher Education	Contact any Alabama National Guard unit
	Reserve Officers Training Corps (ROTC) Scholarship	High school senior or graduate	Varies	Participating colleges	Contact the school you plan to attend
National Service	AmeriCorps	U.S. citizen or permanent resident alien age 17 or older who performs national community service before, during or after college	Up to \$5,645 for each year of service (maximum of two awards)	Corporation for National and Community Service	Call (800) 942-2677 or write the Corporation for National and Community Service, 1201 New York Avenue, NW, Washington, DC 20525
Savings and Tuition Program	College Counts Alabama's 529 Fund	Family savings plan for a child's college education	State income tax deduction of up to \$5,000 (single filers) or \$10,000 (joint filers) for savings plan contributions	Alabama State Treasurer's Office	Call (866) 529-2228 or visit www.collegecounts529.com

1. Submit the FAFSA as soon as you can. Beginning in 2016, you can submit it as early as October 1 using your 2015 tax year information. It's faster and easier to file online at www.fafsa.ed.gov.
2. After you file your FAFSA, you may need to provide more information to your school or to update information on your federal forms. Keep up with requests for records and answer them promptly to make the process go faster!
3. Make good grades. You'll be eligible for more scholarships no matter where you decide to attend college.
4. Retake your entrance exams (ACT, SAT, etc.) to improve your score. You could increase your cash for college.
5. Talk with a college financial aid administrator. He or she can tell you about any aid the school offers.
6. Find free information about financial aid. Where? Library books, our online publications, your college financial aid office, www.alstudentaid.com and other websites or local community organizations.
7. Learn about loans. After you get all the financial aid that doesn't have to be repaid (like scholarships and grants), you may still need a student loan. Get a federal student loan first. If you need a private loan, compare the benefits. Lower fees can save you a lot of money when it's time to repay.
8. Apply yourself. Apply for EVERY type of aid you think you might be eligible for. Maybe you speak Klingon, ride a skateboard, want to become a wedding planner or made your prom dress out of duct tape. There may be a scholarship out there to match your talents.
9. Talk with your school counselor. He or she will have the financial tips that you need to help you afford college.
10. Be scam-proof. Financial aid information is free. You can get all the information without paying a fee. If you think you're being scammed, call the Alabama Attorney General's office at (800) 392-5658 or (334) 242-7335.



Tools for Comparison

After completing the FAFSA, use the Student Aid Report (SAR) and the award letters you receive from colleges' financial aid offices to fill out this chart to compare the schools and financial aid packages you are considering. The example column will give you an idea of how to fill in the needed information.

Sometimes more expensive schools have scholarships that will bring the cost in line with others. So don't limit yourself; consider all your choices and compare.

Example	School 1	School 2	Need Calculation
\$10,000			Tuition and Fees
9,500			Room and Board
945			Books and Supplies
765			Transportation
850			Personal Expenses
22,060			Total Cost of Attendance (varies from school to school)
3,780			Minus Estimated Family Contribution from SAR (remains the same)
18,280			Financial Need
Financial Aid Package			
\$ 5,775			Federal Pell Grant
0			Other Grants
1,500			Scholarships
3,700			Work-Study
5,500			Federal Stafford Loan
0			Other Loans
16,475			Total Financial Aid Package
1,805			Unmet Need (Financial Need minus Total Financial Aid Package)

Under the example, you and your family would be expected to pay \$5,585 for one year of college (\$3,780 in EFC plus the \$1,805 in unmet need). You would also be taking out \$5,500 in Stafford Loans. Keep those two figures — the amount you and your family will be expected to pay and the total amount of loans a school offers in its package — in mind when you compare offers from different schools.

Other Services



KHEAA–Alabama offers programs and services for Alabamians. They include:

Online publications

- *Getting In* — for high school seniors
- *Affording Higher Education* — a reference book of thousands of financial aid programs for Alabamians

www.alstudentaid.com

- KHEAA–Alabama publications (see above list)
- Links to other financial aid sites
- FAFSA4Caster
- Online loan counseling
- Loan Repayment Calculator



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