



STUDENT LOANS – CONNECTING THE PIECES

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DISCUSSION TOPICS

- Department of Ed update
 - FAFSA
- Where it all begins
 - Financial aid process
- Free money
 - Scholarships and grants
- Federal Student Loans
- Private Student Loans
- Connecting the Pieces



FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA) UPDATE

- Completed reprocessing 2024–25 FAFSA online forms impacted by known issues with IRS data, which should enable all institutions to package financial aid offers
- Applicants and contributors without a Social Security number (SSN) have immediate access and can submit the online form
- Applicants' ISIRs are now being sent to schools and states within one to three days of submission.
- Emailing applicants and their contributors who still need to make corrections or have started but not completed their form.
- Paper forms will be processed by the end of June.
- Interest rates

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

Learn more....

[Home | Federal Student Aid](#)

[Home | U.S. Department of Education](#)

FINANCIAL AID PROCESS

THE FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)

Apply or Learn More
studentaid.gov

Who can apply?

- Dependent students with parents
- Independent students

After you complete the FAFSA:

- Student receives Student Aid Report (SAR)
- School receives Institutional Student Information Record (ISIR)
- School creates financial aid award letter
 - Student compares letters from any/all schools
 - Determine if there is an unmet need
 - Cost of Attendance (COA)
 - Fixed vs. Flexible Costs
 - Compare funding options



FINANCIAL AID PROCESS

UNDERSTAND THE UNMET NEED BEFORE STUDENT LOANS

■ Cost of Attendance

- Maximum amount college will cost for one academic year
- Includes tuition, fees, housing, meal plans, and indirect costs

■ Fixed Costs

- Tuition and fees
- Housing and meal plans – *sometimes*

■ Flexible Costs

- Housing and meal plans
- Institutional Insurance
- Books
- Transportation

■ Appeals/Special Circumstances

■ Tuition Payment Plans



FINANCIAL AID PROCESS

RECAP

Complete the FAFSA

Receive award letter(s) and select a school

Consider COA and fixed vs flexible costs

Determine any unmet need

Borrow smart – consider all funding options

Important Note

Be sure to apply for student loans early!

Depending on your school, it can take up to 6 weeks after your completed loan application is approved for funds to be disbursed to your school.

PAYING FOR COLLEGE

FREE MONEY: SCHOLARSHIPS

A payment made to support a student's education.
Usually paid directly to the school.

Typically
merit or
needs based

May have
specific
obligations

Could be
awarded
one-time or
renewable

Doesn't have
to be repaid

Eligibility may
vary

PAYING FOR COLLEGE

FREE MONEY: SCHOLARSHIPS

- High school guidance counselor
- Colleges
- County, city and state
- Employers
- Extra-curricular – clubs, sports, volunteer work, organizations, community and charity work
- Fastweb
- CollegeBoard
- RaiseMe
- The Ultimate Scholarship book



Tips

- Get in the mindset: TEE – time, energy, effort
- Start early
- Collect letters of recommendation
- Follow instructions
- Apply for many scholarships – big and small

PAYING FOR COLLEGE

FREE MONEY: GRANTS

Federal Pell Grant

- \$7395 max for 2024-2025 award year

Federal Iraq and Afghanistan Service Grant

- Suspended in 2024-2025

Federal Supplemental Educational Opportunity Grant

- Ranges between \$100 to \$4,000/year

Federal TEACH Grant

- \$4000 max for 2024-2025 award year



Grants

- Free money from the government, state, school foundation
- May have obligations
- Does not have to be repaid
- Award based on need or merit

PAYING FOR COLLEGE

FEDERAL DIRECT LOAN PROGRAM

Federal Direct Loan Program

- Administered by The Department of Education (ED)
- Undergraduate and graduate students
- Free Application for Federal Student Aid (FAFSA) **required**
- US Government is the lender
- Student's loan – no cosigner – no credit check
- Subsidized vs. unsubsidized (subsidized not available for graduate students)
- In-school repayment
 - Full deferral – interest-only payments – immediate repayments
 - Repayment begins six months after separation from school
- 10-year repayment term with additional repayment options

Apply or Learn More
studentaid.gov

Master Promissory Note
Entrance Counseling Exam
(first time borrowers)

Benefits

- Additional deferment
- Flexible repayment options
- Forgiveness programs
- Discharge
- Consolidation and refinance options

FEDERAL STUDENT LOANS

LIMITS: FEDERAL DIRECT LOAN PROGRAM

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Undergraduate - Dependent

- Annual Limits
- **Unsubsidized and Subsidized**
 - Freshman \$5,500
 - Sophomore \$6,500
 - Junior and Senior \$7,500

Undergraduate – Independent

- Annual Limits
- **Unsubsidized and Subsidized**
 - Freshman \$9,500
 - Sophomore \$10,500
 - Junior and Senior \$12,500

Graduate

- Annual Limits **Unsubsidized**
 - \$20,500
 - Med School \$40,500
 - Does not qualify for subsidized



Undergraduate

- Annual Limits **Subsidized**
 - Freshman \$3,500
 - Sophomore \$4,500
 - Junior and Senior \$5,500



SUBSIDIZED VS UNSUBSIDIZED

SUBSIDIZED

Awarded to eligible students based on financial need

Government pays interest during school and some deferment periods

Fixed interest rate of 6.53%* plus loan fee of 1.057%**

UNSUBSIDIZED

Awarded to all eligible students, not based on financial need

Student pays interest, may defer

Fixed interest rate of 6.53%* plus loan fee of 1.057%**

*First Disbursement between July 1, 2024 and June 30, 2025

**First Disbursement between October 1, 2020 and September 30, 2024

PAYING FOR COLLEGE

FEDERAL DIRECT PARENT/GRADUATE PLUS LOAN PROGRAM

Federal Direct Parent/Graduate PLUS Loan Program

- Administered by The Department of Education
- Free Application for Federal Student Aid (FAFSA) **required**
- Parent of the undergraduate student or the graduate student
- Unsubsidized
- Repayment
 - In-school: full deferral – interest-only payment – immediate repayments
 - Parent PLUS: repayment begins immediately (within 60 days of final disbursement) in-school deferment available
 - Graduate PLUS: repayment begins six months after graduation, a student drops below half-time status or separates from school
- 10-year standard repayment term with additional options

Apply or Learn More

studentaid.gov

Master Promissory Note
Entrance Counseling (*first
time borrowers*)

Benefits

- Additional deferment
- Flexible repayment options
- Forgiveness programs
- Discharge
- Consolidation and refinance options

FEDERAL STUDENT LOANS

RATES/LIMITS: FEDERAL DIRECT PARENT/GRADUATE PLUS LOAN PROGRAM

- **Fixed Interest Rate**
 - Graduate PLUS 07/01/2024 – 06/30/2025: 8.08%
 - Parent PLUS 07/01/2024 - 06/30/2025: 9.08%
- **Origination Fee**
 - 10/01/2023 – 09/30/2024: 4.228%
- **Annual Limit**
 - Cost of attendance minus financial aid

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studentaid.gov



Interest rates on federal loans are fixed, but each year's new loans have a new fixed rate. Interest rates on new federal education loans reset each July 1.

PAYING FOR COLLEGE PRIVATE STUDENT LOANS

Before You Borrow

- Free Application for Federal Student Aid (FAFSA) **recommended but not required**
- Fills funding gaps after other sources of aid have been exhausted

Private Student Loans

- Borrower selects lender
- Student's loan and may require a co-signer
- Unsubsidized
- Repayment
 - Full deferral of payment until six months after graduation, student drops below half-time status or separates from school
- Repayment term determined by lender: 10 - 25 years

Apply or Learn More
cuselect.com

Benefits

- Determined by the selected lender
- Flexible repayment options
- Competitive rates
- Refinance options
- Co-borrower release

PRIVATE STUDENT LOANS

RATES/LIMITS

Apply or Learn More
cuselect.com

- **Interest Rates**
 - Fixed and variable
 - Varies by lender
- **Annual Limit**
 - Cost of attendance minus financial aid



PRIVATE STUDENT LOANS

THE DECISION PROCESS

What to Ask:

- Interest rates
- Repayment terms
- Eligibility requirements
- Application process and timeline
- Member service
- Benefits



Apply or Learn More
cuselect.com

Why choose a credit union?

Credit unions are not-for-profit organizations focused on serving their communities. As member-owned cooperatives, they have your best interests in mind.

When you choose your credit union, you'll enjoy:

- Great rates
- Unique line of credit
- Convenient repayment terms
- A life-long relationship with a lender you can trust

ALTERNATIVE FUNDING



Tuition Payment Plans



Student Employment



Education Savings Plans



Home Equity Loans



Retirement Account

BEHIND THE SCENES: WHAT HAPPENS AFTER APPROVAL

- The certification process
- Disbursement
 - Funds disbursed to the school
- Refunds
 - Direct deposit or check
 - Return to lender
- Loan servicing
 - Manage your loan



UNDERSTANDING HOW TO PAY FOR COLLEGE

TIPS AND TRICKS

Know Your School Resources

- Attend Orientation
- Financial Aid Office
- Bursar's Office

Borrow Smart

- Compare Awards
- Cost of Attendance
- Fixed vs. Flexible Costs
- Loan Terms

News Alert - Communication

- Dept. of Education
- Schools
- Lenders/Loan Servicers

Financial Aid Process

- Be Mindful of Deadlines
- FAFSA – Renew Each Year
- Loan Applications
- Understand Schools Process

Miscellaneous

- Is Payment Due Before Loan is Funded?
- Refunds – Direct Deposit or Checks

Apply Early

June

THANK YOU FOR
ATTENDING!

Tricia Poplicean

- College Counselor
- Student Choice

Please contact us with any additional questions:

- scholarhelp@studentchoice.org