



# Financial Aid 101

Your Guide to Understanding and Applying for College Financial Aid

 **RISLA**  
**College**  
**Planning**  
**Center**

# Free Resources

## RISLA's College Planning Center

Free one-on-one assistance with college searches and applications, essays, financial aid forms, comparing financial aid award letters, and financing options.

Book your appointment online at [collegeplanningcenter.org](https://collegeplanningcenter.org).

Attend a free seminar or workshop. Check with your high school for dates.

Assistance available in Spanish.

---

### rischolarships.org

Get matched with hard-to-find scholarships.

Download the mobile app to search for scholarships on the go. Available on the App Store and Google Play.



### Knowledge for College Scholarship

Apply to win \$2,000 scholarship.

Four winners randomly selected every month.



 **RISLA**  
**College**  
**Planning**  
**Center**

[collegeplanningcenter.org](https://collegeplanningcenter.org) ♦ (401) 736-3170

## Follow Us Online



@risla.college.planning.center



@CPCRI



@risla.college.planning.center

# Financial Aid 101

## WHAT IS IT?

A source of money that helps students and parents fund a college education.

**Need-based aid:** Awarded based on a family's financial need.

**Merit-based aid:** Awarded for academic achievements and other talents.

## SOURCES OF FINANCIAL AID

| FEDERAL AID                                                                                                | STATE AID                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Awarded through the school after completing the FAFSA. Comes in the form of grants, work-study, and loans. | In RI, awarded directly through the colleges after completing the FAFSA. Comes in the form of grants.                                                                                                               |
| INSTITUTIONAL AID                                                                                          | PRIVATE AID                                                                                                                                                                                                         |
| Usually scholarships and grants awarded through the school financial aid office.                           | May be provided by local businesses, lenders, community organizations, or religious foundations. Private funding comes in the form of loans, grants, and scholarships. You must secure private funding on your own. |

## TYPES OF FINANCIAL AID



### Gift Aid: Grants & Scholarships

Gift aid does not need to be repaid. As a rule, you always want to maximize grants & scholarships before borrowing. You must submit your financial aid application by the school and state deadlines in order to receive grants or scholarships funded by the federal government, the state government, or the school itself.

Private scholarships are also a form of gift aid. However, private scholarships are not awarded directly through the school. In order to receive this kind of aid, you will need to seek it out on your own. Many private scholarships come from nominations through the guidance office. Check in regularly for new opportunities. Also search on the web to find opportunities, primarily focusing on local scholarships which are often less competitive.



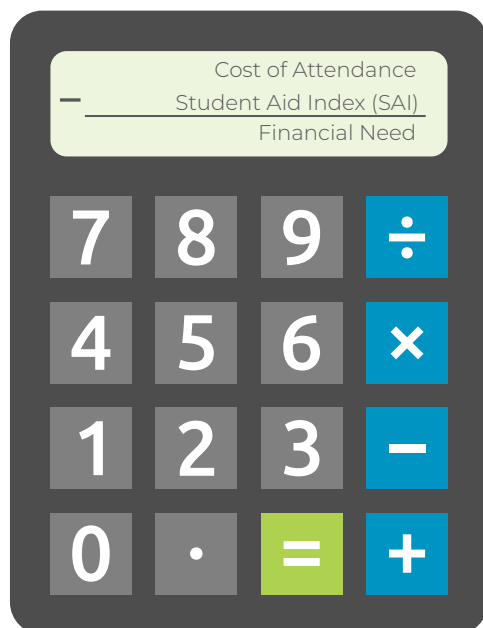
### Self-Help Aid: Work-Study & Loans

Self-help aid requires an investment from the student. The Federal Work-Study Program provides funding to needy students in exchange for work. Funds are awarded based on need and the school's level of funding.

Students participating in the Federal Work-Study Program will earn at least the federal minimum wage. Undergrads are paid at least once a month. Only U.S. citizens and permanent residents are eligible for this program.

Education loans are borrowed money that must be repaid with interest. If you receive a loan, you will need to sign a promissory note binding you to the terms of the loan and stating that you agree to repay your loan.

# Eligibility Formula



Below, is the **Federal Methodology** for determining eligibility.

## Cost of Attendance (COA)

Includes direct costs (those on your tuition bill) & indirect costs (such as books, transportation, and living expenses)

## Student Aid Index (SAI)

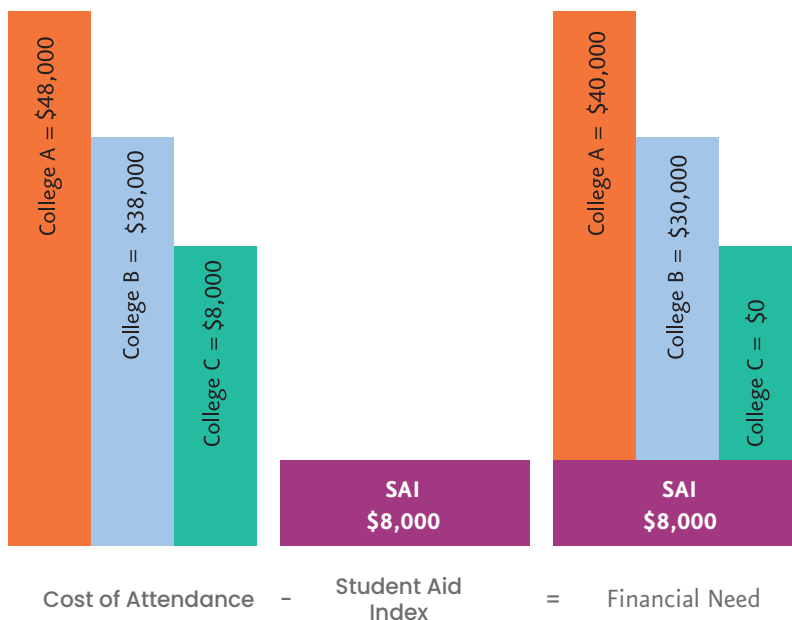
SAI is determined once you submit your FAFSA. SAI is the tool colleges will use to determine your financial need. The following factors are considered when determining your family's SAI:

- Parent income & assets
- Student income & assets
- Age of parents
- Number in the household

## Financial Need

**The graph to the right demonstrates how your financial need differs at colleges of different costs, yet your SAI remains constant.**

Unfortunately, schools do not always have enough funds to meet 100% of your financial need. For example, at College B, your financial need may be \$30,000 but the school may only offer you \$20,000 in financial aid. The \$10,000 difference would be considered gap or unmet need.



## NET PRICE CALCULATOR

Look for this tool on each college's financial aid website. This can help you estimate what the cost of college will be at each school for a family like yours.

Looking for more tips on how to approach the financial aid process? Follow us at [blog.risla.com](http://blog.risla.com) for more information!

# Grants & Scholarships

## GRANTS

### Federal Supplemental Educational Opportunity Grant (FSEOG)

Grant for financially needy undergraduates awarded through the school financial aid office. FSEOGs are awarded to the lowest income undergraduate students. Preference is given to Pell Grant recipients. Awards range from \$100 –\$4,000 per year. Not all schools participate.

### College & University Grants

A grant that is considered a gift from your school and may be awarded based on financial need, academic merit, or some combination. Institutional grants often supplement federal awards to help financially needy students meet the total cost of attendance. Award amounts are determined by each individual college.

### Federal Pell Grant

Grant for financially needy undergraduates awarded through the college financial aid office. For the 2023/24 academic year, the maximum Federal Pell Grant award is \$7,395.

### Teacher Education Assistance for College and Higher Education (TEACH) Grant Program

Program for students who are enrolled in a teaching program and intend to teach full-time in a high-need area at a public or private elementary or secondary school that serves students from low-income families. Student must meet certain requirements after graduation or grant must be repaid as a Federal Direct Unsubsidized Student Loan with interest accruing from the date of each grant disbursement. Maximum award amount is \$4,000 each year.



## SCHOLARSHIPS



### Institutional Scholarships

Many colleges now offer some type of merit scholarship. Merit scholarships are most often awarded based on certain academic requirements such as GPA, SAT scores, class rank, etc., or may be awarded for some other talent. When inquiring about merit aid, you should ask the following questions:

- What types of scholarships do you offer and what are the dollar amounts?
- What are the criteria for the scholarships?
- If I meet the criteria, am I guaranteed to get one?
- What do you need to do to keep the scholarship?

### Private Scholarships

Many businesses, community organizations, and foundations award scholarships. These scholarships may be awarded based on need, merit, or for some other quality. You never know what you will be eligible for unless you look! Follow these tips for a successful search:

- Be diligent. Search a little bit each week over a few months. A scholarship search isn't a one night project.
- Beware of scams. Never pay a service to find you scholarships.
- Ask everyone. Let everyone know that you are on the hunt for scholarships.
- Look everywhere. Don't limit your search to the web. Visit the guidance department, look at the library, contact community centers, etc.
- Don't miss deadlines!

# Education Loan • Comparison •

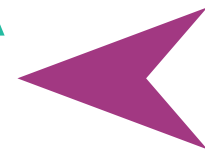
|                                                                                                         | Federal Education Loans                                                                                           |                                                                                                                                   |                                                                                                                   | Non-Federal Education Loans                                                                                              |                                                                                       |
|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|                                                                                                         | Subsidized Loan<br>2023/24                                                                                        | Unsubsidized Loan<br>2023/24                                                                                                      | PLUS Loan 2023/24                                                                                                 | RISLA's 2023/24 State<br>Based In-School Loans                                                                           | Other Private<br>Student Loans                                                        |
| <br>Borrower           | Undergrad Student Only                                                                                            | Undergrad or Graduate Student                                                                                                     | Parent of Undergrad or Graduate Student                                                                           | Student and Cosigner or Single Borrower                                                                                  | Student and Cosigner or Single Borrower                                               |
| <br>Interest Rate      | <b>5.50%</b> Fixed for Undergrads                                                                                 | <b>5.50%</b> Fixed for Undergrads<br><b>7.05%</b> Fixed for Grad Students                                                         | <b>8.05%</b> Fixed                                                                                                | <b>4.45% – 8.99%</b> <sup>1</sup>                                                                                        | <b>Varies</b><br>Fixed or Variable, sometimes based on your credit score              |
| <br>APR                | Exempt from APR Disclosure                                                                                        | Exempt from APR Disclosure                                                                                                        | Exempt from APR Disclosure                                                                                        | <b>4.45% – 8.86%</b> <sup>2</sup>                                                                                        | Varies                                                                                |
| <br>Upfront Fees     | 1.057%<br>(through 9/30/2023)                                                                                     | 1.057%<br>(through 9/30/2023)                                                                                                     | 4.228%<br>(through 9/30/2023)                                                                                     | <b>None</b>                                                                                                              | Varies                                                                                |
| <br>Repayment Term   | <b>120 Months</b><br>Extended & Income-Driven Repayment Options Available                                         | <b>120 Months</b><br>Extended & Income-Driven Repayment Options Available                                                         | <b>120 Months</b><br>Extended & Income-Driven Repayment Options Available                                         | Immediate Repayment <b>120 Months</b><br>Deferred Repayment <b>180 Months</b><br>Income-Based Repayment Option Available | <b>Varies</b>                                                                         |
| <br>Borrowing Limits | For Dependent Students, \$3,500 for First Year, \$4,500 for Second Year, \$5,500 for Third-Fifth Year             | For Dependent Students (including subsidized loans) \$5,500 for First Year, \$6,500 for Second Year, \$7,500 for Third-Fifth Year | Up to the Cost of Education Minus any Other Financial Aid Received                                                | Up to the Cost of Education Minus Other Aid Received (\$1,500 – \$50,000 per year)                                       | Usually up to the Cost of Education Minus Other Aid Received (Min. and max. may vary) |
| <br>How to Apply     | Complete the FAFSA by Your School's Deadline (studentaid.gov)<br>apply at your college or university for the loan | Complete the FAFSA by Your School's Deadline (studentaid.gov)<br>apply at your college or university for the loan                 | Complete the FAFSA by Your School's Deadline (studentaid.gov)<br>apply at your college or university for the loan | Apply at risla.com                                                                                                       | Apply at your lender's website                                                        |

1. **INTEREST RATES:** Rates are for loans first disbursed on or after July 1, 2023 for the 2023/24 academic year and include 0.25% reduction for making automatic monthly payments (auto-pay feature). Each repayment option is subject to funds availability. Funds will be awarded on a first-come, first-served basis. The rates and terms disclosed above are available while funds last. New funds may be subject to different rates and/or terms.

2. **APR:** The Annual Percentage Rate (APR) reflects the estimated total cost of the loan, including origination fees (\$0), accruing interest, and the effect of capitalized interest. Interest begins accruing after each loan disbursement. Rate shown includes the 0.25% interest rate reduction for using the auto-pay feature. If monthly payment is calculated to be less than \$50 per month for full term, lowest payment is \$50 per month with term reduced.



## 15 QUESTIONS TO ASK BEFORE BORROWING A STUDENT LOAN



### SAVING FOR COLLEGE

*Investing in your child's future is one of the best investments*

#### Start Saving Early

The earlier you start saving, the more you'll have to put towards tuition, which translates to less borrowing. Set a goal of how much you would like to save each year, increasing your contributions annually.

#### Open a College Savings Account

Starting an account specifically for college funds is a great way to monitor your college savings and watch your money grow. Keep in mind that when it comes time to fill out the FAFSA, students are expected to contribute a higher percentage of their assets/savings than parents, so it may be best to create the account in the parent's name. Consider Coverdell Education Savings Accounts, Education Savings Bonds, and 529 Plans. Consult your financial advisor for more information on which option works best for your family.

#### Track Your Spending

When college is still years away, it is easy to put off saving. Monitor your spending and decide where you can cut costs from your monthly budget. A \$2 cup of coffee a day translates to \$730 a year. If you put that money in your college account instead for 18 years, you've saved \$32,181 at a 9% annual return.

#### Make Regular Contributions

The more often you put money away, the better. Saving regularly will help you accumulate savings without putting as much burden on your wallet as an annual contribution might. Look into getting funds automatically transferred to your college savings account each month. If you receive a bonus from work or some other large sum of money, put it directly in your college savings account instead of spending it.

#### When You Have More, Save More

If you receive a raise at work, increase the amount of money you direct towards your college savings account each month. If you finish making payments on an installment loan, such as a car, use the funds you were previously applying toward that payment to invest in your college savings account.

#### Before you borrow, always ask the lender:

1. What is the interest rate?
2. Is the interest rate fixed or variable? (Variable rates can change monthly, quarterly, or annually until your loan is paid off, which means your payment can also change.)
3. Is the rate I receive based on my credit?
4. Does the interest rate ever change? (Some loans have different rates while you are in school vs. after you graduate.)
5. What are the fees?
6. What is the loan term?
7. What would my monthly payment be if I borrowed \$X,XXX?
8. When would my first payment be due?
9. How are loan funds disbursed? (to you or the school?)
10. What steps do I need to take to complete an application?
11. How long does it take to process an application?
12. Are there loan limits? Annual? Aggregate?
13. Who is eligible for this loan?
14. Do I need a cosigner?
15. What deferment and forbearance options are available to me?

# Smart College Borrowing

The average student graduates with over \$30,000 in student loan debt – some students graduate with much less, and others, with a lot more. Many students and parents are surprised to learn that they owe hundreds of dollars a month in student loan payments after graduation. That's why before you borrow, you should understand your options and learn how to borrow responsibly.

## On minimizing financing charges...

Your goal should be to borrow at the lowest cost possible, while still allowing for manageable monthly payments. This means looking for the lowest rates and fees and balancing those with benefits of the loan and the length of the repayment term. Being a good consumer and comparing your options takes work, but the payoff can make the effort well worth the time spent.

During your research, keep in mind shorter repayment terms typically mean you will pay less interest than if you had chosen a longer repayment term (assuming the rates are equivalent). As an added bonus, shorter repayment terms in the private loan market often have lower interest rates, compounding your savings. Keep in mind that although your monthly payments may be higher with a shorter term, you'll save more money in the long run and pay-off years earlier, freeing up cash for other things!

**Does interest rate really matter?** You may think it is immaterial, but look at how much a 1% difference in interest rate can really make!

| Interest rate                                              | Number of payments | Est. Monthly Payment | Total Interest Charges | Total Cost of Loan |
|------------------------------------------------------------|--------------------|----------------------|------------------------|--------------------|
| Assuming a \$10,000 loan with zero fees and a 10-year term |                    |                      |                        |                    |
| 4.0%                                                       | 120                | \$101                | \$2,149                | \$12,149           |
| 5.0%                                                       | 120                | \$106                | \$2,728                | \$12,728           |
| 6.0%                                                       | 120                | \$111                | \$3,322                | \$13,322           |
| 7.0%                                                       | 120                | \$116                | \$3,933                | \$13,933           |
| 8.0%                                                       | 120                | \$121                | \$4,559                | \$14,559           |
| 9.0%                                                       | 120                | \$127                | \$5,201                | \$15,201           |
| 10.0%                                                      | 120                | \$132                | \$5,858                | \$15,858           |
| 11.0%                                                      | 120                | \$138                | \$6,530                | \$16,530           |
| 12.0%                                                      | 120                | \$143                | \$7,217                | \$17,217           |
| Assuming a \$10,000 loan with zero fees and a 15-year term |                    |                      |                        |                    |
| 4.0%                                                       | 180                | \$74                 | \$3,314                | \$13,314           |
| 5.0%                                                       | 180                | \$79                 | \$4,234                | \$14,234           |
| 6.0%                                                       | 180                | \$84                 | \$5,189                | \$15,189           |
| 7.0%                                                       | 180                | \$90                 | \$6,179                | \$16,179           |
| 8.0%                                                       | 180                | \$96                 | \$7,202                | \$17,202           |
| 9.0%                                                       | 180                | \$101                | \$8,257                | \$18,257           |
| 10.0%                                                      | 180                | \$108                | \$9,343                | \$19,343           |
| 11.0%                                                      | 180                | \$114                | \$10,459               | \$20,459           |
| 12.0%                                                      | 180                | \$120                | \$11,603               | \$21,603           |

## What amount is the “right” amount to borrow for college?

Many students are eager to sign whatever it takes to go to their dream school. Unfortunately, they often don't understand how much it will cost them after they graduate. Borrowing for college isn't always bad – as long as it is done responsibly. Think about your return on investment and what will be affordable after graduation.

## Only borrow what you absolutely need.

You don't need to borrow the full amount listed on your financial aid award letter. It is tempting to borrow a little extra for something you want but don't actually need. When you borrow money, you pay it back with interest, increasing your total costs. Only borrow what you absolutely need and no more.

## How much will you earn?

Do your research on entry level salaries in your field of choice. Will you be able to afford your monthly payments with the salary you will make? Remember to account for all four years of your education when estimating your total borrowing needs. Too many students have a “borrow now, deal later” attitude that ends up getting them into trouble. A good rule of thumb is to borrow (for all years of education combined) no more than your expected starting salary after graduation. Use our “How Much Can I Afford to Borrow?” calculator at [collegeplanningcenter.org](http://collegeplanningcenter.org).

## How will your education debt affect your future goals?

When deciding between two schools, you may find you want to go to one more, but it will mean you have to borrow a lot more. Think about how that will affect your ability to reach your future goals. Will you be able to afford to reach your goals with a higher student loan payment?

# Student Loan FAQ

## What are Entrance and Exit Interviews?

Students are required to complete an entrance interview prior to receiving a federal student loan and an exit interview before graduating. Entrance interviews help you understand your federal student loan responsibilities. Exit interviews inform you about your repayment obligations and options.

## What is a grace period?

After you graduate, there may be a period during which you are not required to make student loan payments, typically for six months. All federal student loans offer a grace period but you will need to ask on your private loans. Typically, at the end of your grace period, any accrued interest on your account is added to the principal balance on your loan.

## What is deferment and forbearance?

During a deferment or forbearance, you are not required to make payments on your student loans. If you are going back to school, are unemployed, in the military, or having trouble making your student loan payments for any other reason, contact your lender or student loan servicer to see if you qualify for a deferment or forbearance.

## What happens if I default on my loan?

Defaulting on your student loan has serious consequences. If you are having trouble making payments, call your loan servicer to learn about your options. Avoidance is not the key! If you default on a student loan, you may:

- Be ineligible for federal & private student aid in the future.
- Lose your deferment and forbearance options.
- Have to pay your entire loan balance immediately.
- Pay additional costs if your account is turned over to a collection agency or attorneys.
- Hurt your credit and therefore your ability to borrow in the future, rent an apartment, or even get a job.
- Have your federal or state tax refund withheld so that it can be applied to your defaulted loan balance.
- Have your wages garnished.

# Financial Aid

## MYTH VS.

## REALITY

### **“Only straight ‘A’ students get financial aid!”**

**Reality:** A good academic record can help students qualify for merit-based scholarships. However, most federal financial aid, such as Pell Grants, Federal Work-study, and Federal Direct Subsidized Loans, is awarded based on need and not on merit. Furthermore, many outside scholarships are awarded based on need or for other qualities. Visit [rischolarships.org](http://rischolarships.org) to get matched with hard-to-find local scholarships.

### **“We saved for college, so we won’t qualify for aid.”**

**Reality:** Saving money for college doesn’t mean you won’t qualify for aid if you need it. Only a portion of your assets is included in your Student Aid Index. File the FAFSA to find out if you qualify.

### **“My child is 18 and on their own for college so they will complete the FAFSA as an independent student.”**

**Reality:** Parent information is still required to be considered for any aid. Unless a student is 24, has a child of their own or is a ward of the court, the student is still considered a dependent. This, however, does NOT mean a parent must cosign or pay for the student’s education.

### **“Our family just can’t afford college.”**

**Reality:** Billions of dollars in financial aid are available to help families pay tuition bills. Grants, scholarships, student loans, and work-study can all help defray the cost of college. Also, most financial aid is based on your family’s financial need, meaning the less money you have and make, the more aid you may be eligible for.

### **“It doesn’t matter how much money we make. Our child will fund his/her education him/herself.”**

**Reality:** Student Aid Index is based off of both parent and child income, regardless of whether the parents are willing to pay for college, as long as the child is not considered “independent” of the parents.

### **“The FAFSA form is too hard to fill out!”**

**Reality:** Applying online makes filling out the FAFSA easier. The web application provides step-by-step instructions on how to complete the form and allows you to skip questions that are not relevant to your family. Free assistance is also available through the RISLA College Planning Center. Make an appointment with an experienced counselor today at [collegeplanningcenter.org](http://collegeplanningcenter.org).

### **“Private schools are too expensive for our family.”**

**Reality:** Some private schools offer more financial aid to attract students from all income levels. Cost shouldn’t be the only factor you consider when developing a college list. Finding a school that meets career, academic, and personal needs is also important. Just make sure to apply to at least one reasonably affordable school that you will be happy at.

# Applying for Financial Aid



## 1. APPLY FOR AN FSA ID

Apply for an FSA ID at **studentaid.gov**. Your FSA ID will consist of a user name and a password that will enable you to “sign” documents electronically and make corrections to your FAFSA through the web. Both the parent and the student must each apply for a separate FSA ID, using different email addresses.



## 2. SUBMIT THE FAFSA

File the Free Application for Federal Student Aid (FAFSA) at **studentaid.gov** before your college’s deadline. The FAFSA is used by all colleges to determine your eligibility for federal and state aid. Many colleges also use the FAFSA to determine eligibility for institutional aid.

The FAFSA must be completed every academic year prior to the college’s deadline date. Both the student and parent must “sign” the FAFSA using their individual FSA IDs.

**There is no fee involved in filing the FAFSA** and all families are encouraged to apply regardless of their family circumstances.

If you find yourself needing assistance, make an appointment with the RISLA College Planning Center at **collegeplanningcenter.org**.



## 3. SUBMIT OTHER AID FORMS

Some private colleges require a CSS PROFILE application or an institutional financial aid form to determine your eligibility for their own sources of financial aid. The PROFILE application can be completed as early as October and is available at **cssprofile.collegeboard.org**. Make sure you know if you need to file any forms in addition to the FAFSA and be sure to submit them by the school’s specified deadline.



## 4. APPLY FOR SCHOLARSHIPS

Start your search at **rischolarships.org** to be matched with Rhode Island scholarships. Use tools like **bigfuture.collegeboard.org/scholarship-search** to search for national scholarships. Don’t forget to check your guidance office and local library for opportunities.

Looking for more? Follow us at [blog.risla.com](http://blog.risla.com)  
for more information on financial aid!



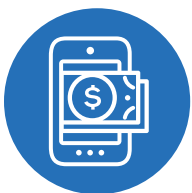
## 5. COMPARE YOUR AWARDS

Each college's financial aid office determines what aid it has available to help meet your financial need. Most schools cannot afford to meet 100% of your financial need. The financial aid office will put together a financial aid award letter for you containing grants, work-study, scholarships, and loans.

Read it over carefully. Decide which portions of the award you would like to accept. Pay attention to the school's instructions. You may have to complete additional paperwork to fully accept the award.

If you feel that the award does not fully meet your financial needs or your needs have changed due to illness, unemployment, or some other reason, you can appeal the award. Make sure you have documentation that supports your request.

Your financial aid package may or may not cover your total financial need. If financial need is not entirely met, this unmet need is called "gap." This means that resources must be found in order to meet the full cost of education.



## 6. APPLY FOR LOANS

Your school may include Federal Direct Student Loans in your award letter. To accept these awards, you will need to complete a Master Promissory Note. Keep in mind that just because a loan is included in your award letter doesn't mean you are obligated to accept it. Limit your borrowing as much as possible.

Some schools also include Federal PLUS Loans in their award packages. Before accepting this award, make sure to compare this loan to other options as you might find a better deal for your family. Be sure to look into benefits as well, such as deferment, forgiveness in the unfortunate incidence of death, and rate discounts. If a PLUS loan was not included in your award letter, but you believe it is the best option for your family, you will still have the opportunity to apply.

If you decide to take out a state-based education loan or private student loan, you will need to select a lender and complete an application with that lender.

## TIPS FOR FILING THE FAFSA

### Don't miss deadlines.

This is a common mistake. In addition to school deadlines, some states require you to file by a specific deadline in order to qualify for the state grant. In Rhode Island, state-funded grants are awarded by Rhode Island colleges and universities. Contact the individual colleges you are applying to in RI for deadlines and requirements to be sure you are considered for these state grants.

### Don't include your retirement savings in your assets.

The federal government does not expect your family to cash out its 401(k), 403(b), or other qualified retirement savings accounts to pay for your child's education. However, while you will exclude these numbers from your assets, you will need to report the amount you contribute to your retirement annually as nontaxable income on the FAFSA.

### Get free help completing your form.

There are many free resources available to help you complete your FAFSA. If you live in Rhode Island, you can get free one-on-one assistance at the RISLA College Planning Center. Visit [collegeplanningcenter.org](http://collegeplanningcenter.org) to book your appointment.

# Comparing Award Letters

When you receive your financial aid award letters from colleges that accepted you, there will be some tough decisions to make. Follow these steps to determine which aid package best meets your family's needs.

Direct costs are paid directly to the school and include tuition & fees, room & board, and other fees. Books, travel costs, personal expenses, and other miscellaneous costs, while they add to your total cost of attendance, are considered indirect costs. You may find it easier to cover indirect costs throughout the year as they accrue, but direct costs will need to be paid up front or through a payment plan (more details on that later!)

## ADD UP GIFT AID

Compare the remaining direct costs and indirect costs at each school. This is the amount you will need to pay out of pocket, either through savings, income, or loans.

## ASSESS YOUR SAVINGS

Determine if you have any income available to help pay college costs. Most colleges offer a payment plan that allows you to spread out the cost of tuition over the course of a school year. Typically, a payment plan administrator charges a one-time enrollment fee. Be aware that making payments late can result in high fees. Contact the college Bursar's office or Financial Aid Office to get information regarding payment plans.

01

## TOTAL DIRECT COSTS

02

Gift aid is free to you and includes grants and scholarships. Subtract any gift aid from your total costs. Want more? There is still time to explore private scholarships. Continue your search at [RIScholarships.org](http://RIScholarships.org).

03

## FIND THE DIFFERENCE

04

Consider what savings you have available to help meet tuition costs. Do you have a 529 college savings plan or a Coverdell savings account? Any other savings or gifts meant for college? Subtract any resources you will use from your direct costs.

05

## WHAT ABOUT INCOME?

If Federal Direct Subsidized or Unsubsidized Loans are included in your financial aid award, decide if you would like to accept these awards. Remember, you will have to pay interest on loans so you want to borrow as little as possible. Make sure you understand the terms of these loans before accepting them.

## PLAN FOR GAP

When comparing award letters, focus on the ratio of gift aid to total aid received. It is easy to get swept away by a big financial aid offer. But remember, it isn't always the total award amount that is most important. Pay attention to how much of your financial need each college met and how they meet your need. The higher ratio of gift aid the better. Also, figure out if awards are renewable. Be wary of scholarships and grants that are only good for your first year.

## ACCEPT RESPONSIBLY

Send in award acceptance forms by the deadline. If you do not, the aid awarded to you may go to another student.

06

## ADD FED STUDENT LOANS

Most schools are not able to meet 100% of your financial aid eligibility. Some schools may include the Federal PLUS Loan in your financial aid package. Keep in mind that you can apply for this loan regardless of whether or not it is listed on the financial aid award letter and you don't have to accept it just because it is included. If you plan to borrow, be a good consumer and **explore rates and terms**. Factor your borrowing into the whole picture when determining which aid package is best for you.

07

08

## FOCUS ON PERCENTAGES

You do not need to accept the financial aid package as is. Loans need to be paid back with interest, so try to limit the amount you borrow by reducing your award amounts or declining loans if you don't need them. If you think you need more aid, you can always try to appeal the offer. Make sure you have documentation to support your request. Many schools will take a second look at the award package, if asked.

09

10

## MEET THE DEADLINE

# Meeting College Costs Worksheet

|                                     | College 1 | College 2 | College 3 | College 4 |
|-------------------------------------|-----------|-----------|-----------|-----------|
| Enter college name on this line     |           |           |           |           |
| <b>Direct Costs</b>                 |           |           |           |           |
| Tuition & fees                      |           |           |           |           |
| Room & board                        |           |           |           |           |
| Health insurance fees               |           |           |           |           |
| Other fees                          |           |           |           |           |
| <b>Total Direct Costs (A)</b>       |           |           |           |           |
| <b>Gift Aid</b>                     |           |           |           |           |
| Federal Pell Grant                  |           |           |           |           |
| Federal SEOG Grant                  |           |           |           |           |
| Federal TEACH Grant                 |           |           |           |           |
| State grant                         |           |           |           |           |
| College grant                       |           |           |           |           |
| College scholarship                 |           |           |           |           |
| Outside scholarships & grants       |           |           |           |           |
| <b>Total Gift Aid (B)</b>           |           |           |           |           |
| <b>Personal Resources</b>           |           |           |           |           |
| 529 Plan                            |           |           |           |           |
| Coverdell savings account           |           |           |           |           |
| Other college savings account       |           |           |           |           |
| Parent savings & assets             |           |           |           |           |
| Student savings & assets            |           |           |           |           |
| Other                               |           |           |           |           |
| <b>Total Personal Resources (C)</b> |           |           |           |           |
| <b>Self-help Aid</b>                |           |           |           |           |
| Tuition payment plan                |           |           |           |           |
| Federal Direct Subsidized Loan      |           |           |           |           |
| Federal Direct Unsubsidized Loan    |           |           |           |           |
| Federal PLUS Loan                   |           |           |           |           |
| State-based student loan            |           |           |           |           |
| Private education loan              |           |           |           |           |
| Home equity loan                    |           |           |           |           |
| <b>Total Self-help Aid (D)</b>      |           |           |           |           |
| <b>Summary</b>                      |           |           |           |           |
| Total Direct Costs (A)              |           |           |           |           |
| Total Gift Aid (B)                  |           |           |           |           |
| Amount Due to School (A - B)        |           |           |           |           |
| Total Personal Resources (C)        |           |           |           |           |
| Total Self-help Aid (D)             |           |           |           |           |
| Gap (A-B-C-D)                       |           |           |           |           |

Don't forget to come up with a plan for paying indirect costs, like books, transportation & living expenses. Visit us online at [collegeplanningcenter.org](http://collegeplanningcenter.org) to use the online version of the Meeting College Costs Calculator.

The College Planning Center of Rhode Island is a free service provided by Rhode Island Student Loan Authority, a non-profit state authority.



Rhode Island Student Loan Authority  
935 Jefferson Blvd, Suite 3000  
Warwick, RI 02886-2225  
Toll-free: 800-758-7562 | Local: 401-468-1700  
[risla.com](http://risla.com)

6/01/2023