



Paying for College **Guide**

Everything you need to make smart choices about paying for school

Ways to pay for college

Filing the FAFSA®

Using grants and scholarships to pay for college

Decoding your financial aid offers

Options for filling a financial gap

Estimate your monthly loan payment



Ways to pay for college



Start with free money first

Scholarships, savings, and money you don't have to pay back.



File the Free Application for Federal Student Aid (FAFSA®)

The [FAFSA](#) is the #1 source for financial aid. Apply as soon as you can once it opens on October 1. Visit salliemae.com/gofafsa to get started.



Scholarships

Scholarships are free money for school that you don't have to pay back. Our free [Scholarship Search](#) has over 6 million scholarships, and matches you to opportunities based on your hobbies and interests.



Grants

Grants are typically need-based funding given out by state and federal governments, and individual schools. You apply for grants by completing the FAFSA®.



Work-study

[Work-study](#) provides students a part-time job on campus, paid for by federal funding. File the FAFSA® to see if you qualify.



Pay out of pocket

If you're able to pay some of your balance with savings, income, or a school payment plan, consider this option.

Still need money for college?

Learn more about federal and private student loans.

Federal subsidized and unsubsidized student loans

Based on the results of your FAFSA, you may qualify for an unsubsidized or subsidized student loan offered by the government. Learn more at studentaid.gov.

Federal PLUS Loan

If your parent or guardian can help you pay for school, they can apply for a PLUS loan in their name.

Private student loans

There are two options for applying for private student loans:

- You can apply for a private student loan in your name, though you may be asked to include a creditworthy cosigner.
- An adult with strong credit can apply for a private loan in their name and use the money to help pay for your remaining college costs. These are sometimes called Parent loans.

Find out if a Sallie Mae student loan is right for you and your family at salliemae.com

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Filing the FAFSA®

Financial aid starts with the FAFSA®

Completing and submitting a Free Application for Federal Student Aid (FAFSA®) is the single most important thing you can do to get financial aid.

What do you need?

If you're a dependent student, you'll need this information for you and your parents.

- ✓ You will need an FSA (Federal Student Aid) ID to sign the form electronically. **You can create an account and get your FSA ID at studentaid.gov**
- ✓ Your Social Security number
- ✓ Your W-2 tax documents
- ✓ Your parents' Social Security numbers
- ✓ Your parents' tax documents

Independent students and graduate students will need their own tax documents.



If your financial aid status has changed, please complete and submit the FAFSA® using the required tax year as directed, then follow up with your school's financial aid office for further advice.

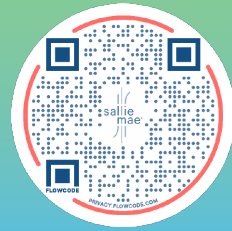


To be eligible for federal financial aid, you must file the FAFSA® for each year you'll be in school.

*Source: FAFSA application submission time frames and required tax information are projected based on information provided at <https://studentaid.gov/apply-for-aid/afsa/afsa-deadlines>.

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Don't miss out on financial aid. File at **salliemae.com/gofafsa**

Submission time frames and tax information*

Academic year **2023 – 2024**

Submit your FAFSA® beginning
October 1, 2022 through June 30, 2024
Use your tax info from **2021***

Academic year **2024 – 2025**

Submit your FAFSA® beginning
October 1, 2023 through June 30, 2025
Use your tax info from **2022***

Academic year **2025 – 2026**

Submit your FAFSA® beginning
October 1, 2024 through June 30, 2026
Use your tax info from **2023***





Using grants and scholarships to pay for college

Grants and scholarships are two types of financial aid that don't have to be paid back. So be sure to include them in your plan for paying for college!



Let's start with a simple explanation of scholarships

A scholarship is a financial award that is given based on specific criteria, and doesn't have to be paid back. Scholarships are always free—you should never pay to find or apply for one. There are millions of scholarships available—you just have to look for them! You may think scholarships are only for athletes and students who are at or near the top of their class. That's certainly true in some cases, but did you know there are scholarships out there for almost every skill and interest? The challenge is finding the right ones for you. Start your search for free with **Sallie Mae® Scholarship Search**.

Why apply for scholarships?

The answer to that question is simple! You don't need to pay back the funds you receive from college scholarships. And there's no limit to the amount of scholarships you can apply for or receive.

Hints for finding scholarship opportunities

- Check out the list of scholarships offered by the colleges you're interested in attending. You'd be surprised at the wide range of areas covered.
- Search for scholarships online or take it a step further and register for free on scholarship search engines where you create a profile and filter results by your hobbies, special skills, future college major, and community service interests.
- Look for scholarships offered by local organizations in your town. Your local library is a good place to start to learn more about local businesses and organizations that sponsor scholarships.
- Reach out to your friends, family, and members of the community:
 - School counselors, school administrators, teachers, coaches, and mentors
 - Religious organizations
 - Local youth organizations such as Girl Scouts and Boy Scouts, Boys & Girls Clubs, and 4-H)
 - Local philanthropic organizations (such as the Lions Club, Rotary Club, Kiwanis, and Chamber of Commerce)
 - Any other organizations your parents or family members belong to, or even your parent's employers
- There are national scholarships sponsored by large corporations and foundations, which look for applicants nationwide who have different interests or skills.

Once you've found scholarships you'd like to pursue, remember to:

- Stay on top of deadlines and requirements when applying, and be sure to carefully proofread everything you submit for consideration.
- Keep track of all the scholarships you have applied for by setting up a simple spreadsheet.
- Follow instructions.
- Include strong recommendations.

Using grants and scholarships to pay for college



What are grants?

Grants for college are typically need-based. They're given out by federal and state governments and by individual colleges. You apply for grants by completing your Free Application for Federal Student Aid (FAFSA®). There's generally nothing else that you have to do.

What you need to know

- Check to see if your state government funds grants for residents attending in-state schools.
- Many grants are given on a first-come, first-served basis, so submit your FAFSA as soon as possible after October 1.
- Look for financial aid offers from the colleges that have accepted you. These offers will identify grants you're eligible to receive.
- Check with the financial aid office at each college for any additional forms or information they may require for the grants to be awarded.
- Colleges will disburse funds for grants in a single lump sum or in multiple payouts (called "disbursements").
- Colleges will credit students' school accounts with the grant funding they've received to help cover tuition, books, housing, and other school expenses.

Here are some specific college grants:

- **Federal Pell Grants** are the largest source of federally funded grants. They're awarded based solely on your financial need. Academic grades and extra-curricular activities don't factor into the decision.
- **TEACH Grants** provide grants to students who agree to teach for four years at an elementary school, secondary school, or educational service agency that serves students from low-income families.
- **Federal Supplemental Education Opportunity Grants (FSEOG)** assist low-income undergraduate students who need financial aid to help pay for college.
- **Iraq and Afghanistan Service Grants** are available to students whose parent or guardian died as a result of military service after September 11, 2001, in Iraq or Afghanistan.

Learn more at [SallieMae.com/CollegePlanning](https://www.salliemae.com/CollegePlanning)

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Decoding your financial aid offers

tips

you should know
before making the
big decision



College
and money
series



1. The acronyms you need to know

Cost of attendance (COA): an estimate of what one full year of school will cost. It includes tuition, along with room, board, fees, books, and more. Check your school's website for a detailed COA.

Expected Family Contribution (EFC): an estimate that the school uses to determine how much financial aid you could get—the amount you actually pay may be different.



2. You might get a few types of financial aid

Scholarships and grants: free money that you won't have to pay back—seriously!

Work-study: money you earn by working a part-time job through your school

Loans: money you can borrow that you will have to pay back with interest



3. Remember this equation

$$\text{COA} - \text{financial aid} = \text{what's left to pay}$$

Do this equation for every school on your list. If you still owe money, you may need to use savings, private student loans, or other sources to cover the difference.



4. Hold on: don't just pick the biggest offer

A small financial aid offer with more free money may be better than a larger offer with more loans. Why? Because you'll have to pay back those loans with interest.



5. Read the fine print

Before you pick your offer, pay attention to the conditions. Some types of financial aid may be renewable, and some may be for one year only. Also, some scholarships might require you to maintain a certain GPA.



6. Choose what works for you

You don't have to accept all the aid listed in your financial aid offer. Pick the types and amounts of aid you need, and make sure to respond before the deadline.

Learn more at
salliemae.com/financialaidoffers

Options for filling a financial gap

Comparing the Federal Direct PLUS Loan for Parents and private student loans

Many families consider financing their undergraduate student's education with either a Federal Direct PLUS Loan for Parents or a private education loan. This comparison chart will help you understand the features and benefits of each type of loan. Interest rates and fees for private loans vary between lenders and are generally based on the credit of the individual borrower and cosigner; however, other factors may also be considered.

	Federal Direct PLUS Loan for Parents¹	School-certified private student loan²
Borrower	Parent	Student
Credit check required	Yes, a parent with an adverse credit history may obtain an endorser or meet additional requirements to qualify.	Yes. Loan approval and pricing are generally based on creditworthiness. Lenders may also consider other factors.
Cosigner requirement	No, but a parent with adverse credit history may obtain an endorser.	No, but a student with little or no credit history may have a better chance of approval by applying with a creditworthy cosigner.
Cosigner release option	This loan does not require a cosigner.	Many lenders provide a cosigner release option where the student can apply to release the cosigner after they graduate, make a specified number of on-time payments, and meet underwriting requirements.
Interest rate	For loans first disbursed on or after July 1, 2022 and before July 1, 2023, the interest rate is fixed at 7.54%.	Varies by lender. Many lenders offer both variable and fixed interest rates. Although lenders may consider multiple factors, rates are generally based on the borrower's and cosigner's creditworthiness, so those with good credit may qualify for a lower rate.
Origination/ disbursement fees	4.228% for loans first disbursed on or after October 1, 2021 and before October 1, 2023	Varies by lender; most offer 0%
Minimum payment amount while the student is enrolled in school	Loans will automatically be placed in principal and interest repayment. The borrower can request to defer PLUS loan payments while the student is in school and for six months after graduation, leaving school, or dropping below half-time enrollment (interest continues to accrue during this time and unpaid interest is added to the loan's principal amount when the deferment period ends).	Varies by lender. Many lenders allow private loan payments to be deferred while in school (interest accrues during this time and unpaid interest is added to the loan's principal amount when the deferment period ends). Many lenders offer options to make interest payments during the in-school period.
Repayment term	10 – 25 years of principal and interest payments	Varies by lender; typically terms of 5 – 20 years of principal and interest payments are offered.

	Federal Direct PLUS Loan for Parents¹	School-certified private student loan²
Payment flexibility	PLUS loans for parents are eligible for multiple repayment plans including standard, graduated, and extended repayment options, federal consolidation, and some public service loan forgiveness options. See studentaid.gov for more information.	Varies by lender. Contact lender for their specific repayment options.
Responsibility to pay	Parent and endorser (if applicable)	Student and cosigner (if applicable)
Loan limits	Up to 100% of the school-certified cost of attendance minus other financial aid received	Generally, up to 100% of the school-certified cost of attendance minus other financial aid received. Lenders can have different loan limits for different loan programs and may base the limits on various factors.
Minimum enrollment status	Student must be enrolled at least half time	Varies by lender; some offer loans to students who are attending school less than half-time.
Application process	Online with the Department of Education through the FAFSA® process, but some schools have different application processes.	Online with lender; there may be other potential application options, e.g., applying over the phone.
Free Application for Federal Student Aid (FAFSA) required	Yes.	No. Families are not required to complete the FAFSA unless it is the policy of the school.
Borrower benefits	0.25 percentage point interest rate reduction for automatic debit enrollment	Most lenders offer a 0.25 percentage point interest rate reduction for automatic debit enrollment. Additional benefits vary by lender.
Death and disability loan forgiveness	Yes. If the parent dies or becomes totally and permanently disabled or if the student beneficiary dies and certain conditions are met, then the loan will be discharged.	Varies by lender. Some lenders waive the remaining balance in the event of the primary borrower's death or permanent and total disability.
Ability to consolidate through the Department of Education	Yes. Parents can consolidate with other federal loans in their name (not the student's).	No
Options for denied loans	If parent is unable to obtain the loan, the student may be eligible for additional unsubsidized loans.	Student can apply with a different cosigner if the cosigner is denied.
Tax deduction for interest paid³	The interest paid on the loan may be deductible subject to IRS guidelines.	The interest paid on the loan may be deductible subject to IRS guidelines.

This information is provided by Sallie Mae for your reference.

¹ Federal loan rate and fee information is provided by Federal Student Aid, an Office of the U.S. Department of Education.

² Private loan information is based on a January 25, 2023 review of national private loan programs offered by Sallie Mae and its publicly-traded competitors. Variable rates may increase over the life of the loan.

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Explore federal loans and compare to make sure you understand the terms and features. Private student loans that have variable rates can go up over the life of the loan. Federal student loans are required by law to provide a range of flexible repayment options, including, but not limited to, income-based repayment and income-contingent repayment plans, and loan forgiveness and deferment benefits, which other student loans are not required to provide. Federal loans generally have origination fees, but are available to students regardless of income.

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Estimate your monthly loan payment

<div> <div>1</div> <div>2</div> <div>3</div> </div> <div> <div>Choose either the 10-year or 15-year repayment schedule.</div> <div>Find the principal amount at the time of repayment that's closest to yours (if you do not pay the interest that accrues during school, this amount will be higher than your original loan amount).</div> <div>Select the interest rate closest to your loan's rate.</div> </div>														
	Principal amount at time of repayment (\$)	Number of payments	3% Interest rate		5% Interest rate		7% Interest rate		8% Interest rate		9% Interest rate		11% Interest rate	
			Monthly payment (\$)	Total interest paid (\$)	Monthly payment (\$)	Total interest paid (\$)	Monthly payment (\$)	Total interest paid (\$)	Monthly payment (\$)	Total interest paid (\$)	Monthly payment (\$)	Total interest paid (\$)	Monthly payment (\$)	Total interest paid (\$)
10-year term	1,000*	20	51	26	52	44	\$53	62	54	71	54	81	55	99
	5,000*	108	53	711	58	1,220	63	1,753	65	2,030	68	2,313	73	2,898
	10,000	120	97	1,587	106	2,728	116	3,933	121	4,560	127	5,202	138	6,530
	20,000	120	193	3,174	212	5,456	232	7,866	243	9,119	253	10,402	276	13,060
	25,000	120	241	3,968	265	6,819	290	9,832	303	11,398	317	13,003	344	16,326
	50,000	120	483	7,936	530	13,640	581	19,665	607	22,797	633	26,006	689	32,650
	75,000	120	724	11,905	795	20,459	871	29,497	910	34,195	950	39,008	1,033	48,976
	100,000	120	966	15,873	1,061	27,279	1,161	39,330	1,213	45,594	1,267	52,011	1,378	65,300
	150,000	120	1,448	23,809	1,591	40,918	1,742	58,996	1,820	68,389	1,900	78,017	2,066	97,950
	200,000	120	1,931	31,745	2,121	54,557	2,322	78,660	2,427	91,186	2,534	104,022	2,755	130,600
15-year term	10,000	180	69	2,431	79	4,234	90	6,178	96	7,203	101	8,257	114	10,459
	15,000	180	104	3,646	119	6,352	135	9,268	143	10,803	152	12,385	170	15,688
	20,000	180	138	4,862	158	8,469	180	12,359	191	14,403	203	16,513	227	20,918
	25,000	180	173	6,077	198	10,586	225	15,448	239	18,004	254	20,643	284	26,147
	50,000	180	345	12,152	395	21,172	449	30,894	478	36,009	507	41,283	568	52,294
	100,000	180	691	24,304	791	42,342	899	61,789	956	72,017	1,014	82,569	1,137	104,588
	150,000	180	1,036	36,457	1,186	63,514	1,348	92,683	1,433	108,026	1,521	123,852	1,705	156,882
	200,000	180	1,381	48,609	1,582	84,686	1,798	123,579	1,911	144,034	2,029	165,135	2,273	209,174
	300,000	180	2,072	72,913	2,372	127,028	2,696	185,366	2,867	216,053	3,043	247,704	3,410	313,762

* Some lenders may require a minimum monthly payment, resulting in a repayment term of less than 10 years.

The monthly payment calculations in this chart are based on standard principal and interest payments and do not include fees or repayment interest rate discounts; they are based on the APR at the time of repayment. Variable interest rates may increase over the life of the loan. The chart and interest rates are provided for informational purposes only and are not specific to any Sallie Mae education loan product.

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