



USA Funds Countdown to College

MISSISSIPPI

Inside the 2009 issue:

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Sponsored by USA Funds®, Mississippi's education loan guarantor, this guide for parents and students will help you prepare for the adventure and experience of a lifetime.



College Goal Sunday Offers Free Help to Access Money for College

Want to go to college but don't know how to pay for it? Attend College Goal Sunday on Saturday, Feb. 28, to get free advice about how to complete the federal forms to qualify for grants and student loans.

This is the first year for College Goal Sunday in Mississippi. The event helps students and their families complete the Free Application for Federal Student Aid.

Mississippi students and families can get this assistance from 9 a.m.-1 p.m. on Feb. 28. Financial aid professionals from universities and colleges in the state will volunteer their time to staff several sites across Mississippi.

You must fill out the FAFSA to qualify for federal financial aid such as grants and loans to help pay for higher education. In addition, many scholarship donors require students to file a FAFSA, and many colleges and universities use the FAFSA to make decisions about institutional grant and scholarship awards.

"Applying for financial aid is a critical step in helping students get ready for college," says Lashanda Colbert, coordinator of College Goal Sunday in Mississippi and director of special projects for GEAR UP Mississippi. "Students who are prepared for college but need help in applying for financial assistance definitely should attend College Goal Sunday. The event also will benefit students who are unsure about whether college is right for them and nontraditional students who may need one-on-one guidance."

At each College Goal Sunday site, you can complete the FAFSA online. To file the FAFSA electronically, you need a personal identification number from the federal government. This number allows you to apply for financial aid online and electronically sign your application, make changes or corrections to the FAFSA, and access records. If you plan to file the FAFSA online at a College Goal Sunday site, you should obtain a PIN before the event by accessing www.pin.ed.gov and bring it with you.

You can find step-by-step instructions to help you gather the necessary information and complete the FAFSA at www.fafsa.ed.gov. College Goal Sunday times and location details are to the right in this publication, and at www.mscolleggoalsunday.org.

College Goal Sunday sponsors include GEAR UP Mississippi, Mississippi Institutions of Higher Learning, USA Funds, Lumina Foundation for Education and Education Services Foundation.

Rise Up is Mississippi's One-Stop Shop for College Information

COURTESY MISSISSIPPI INSTITUTIONS OF HIGHER LEARNING

If you've got questions about going to college, www.RiseUpMS.com has the answers. Rise Up is Mississippi's new one-stop shop of information about education after high school.

Why college?

College is more than just ivy-covered walls and professors. It's also field experiences, online discussions and even shop training. College is *any* education after high school.

Get ready.

Rise Up helps you make sure your time in high school counts, providing information about the classes you need to take if you want to go to a public university. You'll learn about admissions tests and see checklists to keep you on track.

Plan ahead.

The Rise Up career planning section can help you determine what you want to do in life. The site has interest assessments and more than 500 videos about different careers. Setting a plan for your future will help you pick the right major early in your college career — and prevent you from spending time and money on the wrong classes.

Select a college.

Rise Up can help you find which of Mississippi's 35 colleges is right for you. See profiles of:

- ♦ Eight four-year public universities.
- ♦ Twelve four-year private or independent colleges.
- ♦ Fifteen two-year public community and junior colleges.

A college search tool helps you choose schools based on certain criteria. A college comparison tool lets you compare schools side by side.

Get admitted.

Learn about the college admission process and access links to online applications, contact information for admissions offices, and a calendar of important admissions deadlines for each college in the state. You also can sign up for e-mail reminders.

Find financial aid.

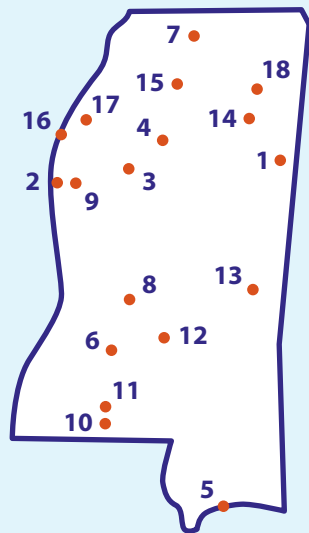
The state of Mississippi offers \$30 million in financial aid each year. Rise Up shows you how to apply for federal and state aid, provides details about private and institutional aid, and offers a scholarship search tool.

Parent information.

Rise Up is part of the www.MISSISSIPPI.edu initiative, which also includes www.ParentGuide2College.com for parents. The www.ThinkHigherMS.com site provides information for students transferring to a four-year institution from a two-year school.

College Goal Sunday 2009

The following locations will have College Goal Sunday events on Saturday, Feb. 28, from 9 a.m.-1 p.m.
If you want to file the FAFSA online, computers will be available.



1. Columbus

Columbus High School
215 Hemlock St.
hodgesa@columbus.k12.ms.us
dmiller@finaid.muw.edu
(662) 241-7200
(662) 329-7117

2. Greenville

Greenville-Weston High School
419 E. Robertshaw
mnwilliams0115@yahoo.com
(662) 394-0735

3. Greenwood

Mississippi Delta Community College
Greenwood Center
207 West Park Ave.
jewilliams@msdelta.edu
(662) 246-6481

4. Grenada

Holmes Community College
1060 J K Avert Drive
kdsimms@olemiss.edu
gedehart1@hotmail.com
(662) 226-5135

5. Gulfport

Mississippi Gulf Coast Community College
Jefferson Davis Campus
2226 Switzer Road
sercy.taylor@mgccc.edu
(228) 897-3886

6. Hazlehurst

Hazlehurst High School
101 S. Haley St.
awilliams@hazlehurst.k12.ms.us
(601) 894-1152

7. Holly Springs

Holly Springs High School
165 N. Walthall
cbass@hssd.k12.ms.us
(662) 252-4371

8. Jackson

Jackson State University
3825 Ridgewood Road
willie.jones@jsums.edu
(601) 432-6879

9. Leland

Leland High School
404 E. Third St.
Smith515336@bellsouth.net
(662) 347-4742

10. Magnolia

South Pike High School
205 West Myrtle St.
tvarnado@spike.k12.ms.us
(601) 783-2312

11. McComb

McComb High School
695 Minnesota Ave.
palmtree@mccomb.k12.ms.us
(601) 684-4661

12. Mendenhall

Simpson County Technical Center
3415 Simpson Highway 49
tduncan@simpson.k12.ms.us
(601) 847-8000, Ext. 306
(601) 847-1562

13. Meridian

Thirty-first Baptist Church
3411 20th St.
pastor@thirtyfirstave.org
(601) 483-0490

14. Okolona

Okolona High School
404 Winter St.
zjohnson@okolona.k12.ms.us
(662) 447-2362

15. Oxford

Oxford High School
222 Bramlett Blvd.
kjtopmki@olemiss.edu
(662) 915-5788

16. Rosedale

West Bolivar High School
498 Bradford St.
mkemp@wvbsd.k12.ms.us
(662) 759-3346

17. Shelby

Broad Street High School
1305 Martin Luther King Drive
snaugles@nbsd.k12.ms.us
(662) 398-7002

18. Tupelo

Itawamba Community College
2176 S. Eason Blvd.
rdwalker@iccms.edu
(662) 862-8223

WHAT TO BRING TO COLLEGE GOAL SUNDAY

Take these three simple steps to participate in College Goal Sunday and begin mapping out your future:

1. Find a site in your area by consulting the map and list. You also can find a list of locations at www.mscolleggoalsunday.org.
2. If you are a dependent (claimed on your parent's tax return) age 23 or younger, single and have no dependents, bring a parent. Parents can attend with their students, or they can come in place of their students.

If you're age 24 or older, a veteran or currently serving in the U.S. Armed Forces, a current or former foster care youth/ward of the court, married or have dependents, parent information is not required.

Bring your 2008 federal tax return, W-2 Forms or other relevant 2008 income information such as Social Security benefits, untaxed income and child support payments, 2008 bank statements, 2008 business and investment income information including farm records, stock, bond and other investment records, a driver's license and Social Security number.

3. Arrive promptly at the start of College Goal Sunday — 9 a.m. Feb. 28 — so you have plenty of time to complete the form and get answers to your financial aid questions.

College Goal Sunday volunteers will provide everything else that you need to complete the Free Application for Federal Student Aid.





USA Funds Countdown to College

Financial Aid, Family Support Make College Possible for Nursing Student



Brianne Rogers

Growing up in her grandparents' home in Lucedale, Brianne Rogers looked to her aunt for inspiration.

Her mother's sister, Kim Tucker, always told Rogers and Rogers' older sister that they could go to college and do anything they wanted.

Although Tucker was diagnosed with muscular dystrophy as a child, she went on to earn a master's degree and currently works as a business office systems instructor at Mississippi Gulf Coast Community College.

"She told us it didn't matter how bad life was — you could still go to school," Rogers says of her aunt. "She has always been our inspiration."

When Rogers started looking at college programs, she realized her ACT scores and high school grade point average weren't high enough to qualify her for scholarships at some schools. But she had taken six dual-enrollment courses her senior year of high school at the Mississippi Gulf Coast Community College center in Lucedale so she could be ahead when she started college. She had earned a GPA of 3.8 in those courses, and those credits qualified her for a Presidential Scholarship at William Carey University in Hattiesburg.

She qualified for a Federal Pell Grant in addition to the scholarship, and also took out a federal student loan.

"If I hadn't been able to get financial aid, I'd probably be working and trying to attend a junior college," she says. "It would have been much harder."

William Carey's trimester schedule, coupled with the dual-enrollment courses she took while attending George County High, should help her graduate a year ahead of her classmates, she says. She finished her first trimester at William Carey with a GPA of 3.7, and she's already passed part of the nursing school entrance examination. She hopes to start nursing school next fall.

Rogers wants to be able to help take care of a younger brother who's still in elementary school.

She plans to continue applying for scholarships this year.

"Paying for college is not impossible. You just have to look at all of your options," she says. "It's all a matter of determination where you end up in life. I am determined to go to college, therefore I am in college."

FEDERAL PROGRAMS OFFER FINANCIAL HELP FOR COLLEGE

The U.S. government is the largest source of financial aid for college, providing about \$90 billion each year in grants, loans and work-study assistance, as well as higher education tax benefits. To qualify for most federal financial aid for college, families must complete the Free Application for Federal Student Aid. To complete the FAFSA online, you first should apply for a personal identification number at www.pin.ed.gov.

The major federal financial aid programs fall into three categories:

- ◆ **Federal grants**, which you do not repay.
- ◆ **Campus-based aid**, which is administered by school financial aid offices and includes grants, loans and work-study.
- ◆ **Federal student loans**, which students or parents must repay.

FEDERAL GRANTS

In addition to the Federal Pell Grant and the Federal Supplemental Educational Opportunity Grant, the government offers two academic-based grants and created a new grant program in 2007 for teaching majors.

Pell Grant

- ◆ Must be a low-income undergraduate who is a U.S. citizen, U.S. national or eligible noncitizen.
- ◆ Maximum grant for the 2008-2009 academic year is \$4,731.
- ◆ Grant size depends on the amount the federal government estimates as your family's contribution to college costs, your cost of attendance, your full- or part-time status as a student, and whether you'll be in school for a full academic year.
- ◆ Funds are paid to the school, which can credit your account, pay you directly, or combine these payment methods.

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

- ◆ Must be a U.S. citizen or eligible noncitizen enrolled in an eligible institution pursuing undergraduate or graduate coursework needed for a teaching career. You also must agree to teach in a high-need field in a public or private elementary or secondary school that serves low-income students.
- ◆ High-need fields include bilingual education and English language acquisition, foreign language, mathematics, reading specialist, science and special education. The U.S. Department of Education's annual Teacher Shortage Area Nationwide Listing provides other teacher shortage areas; visit www.ed.gov/about/offices/list/oep/pol/tsa.doc in March for the new list. The Department's Annual Directory of Designated Low-Income Schools for Teacher Cancellation Benefits lists schools serving low-income students; visit www.tcli.ed.gov.
- ◆ Provides grants of up to \$4,000 a year. Although you must complete the FAFSA, you do not need to show financial need.
- ◆ Must maintain a cumulative grade point average of at least 3.25 and score above the 75th percentile on college admissions tests.
- ◆ Each year you receive a TEACH grant, you must sign an agreement to serve as a teacher in the designated areas or schools. For each academic program for which you receive TEACH grant funding, you must agree to teach for four academic years within eight years of completing your academic program. If you fail to complete the required teaching service, all TEACH grant funds convert to a federal student loan.

Academic Competitiveness Grant

- ◆ Must be a first-year student who graduated from high school after Jan. 1, 2006, or a second-year student who graduated from high school after Jan. 1, 2005.
- ◆ Provides grants of up to \$750 for the first year of academic study and up to \$1,300 for the second year of academic study.
- ◆ Must be a U.S. citizen and a Pell Grant recipient, attend school full time, and have completed a rigorous high school curriculum as recognized by the U.S. secretary of education. For a state-by-state list of qualifying programs, go to www.ed.gov/admns/finaid/about/ac-smart/state-programs.html.
- ◆ Must maintain at least a 3.0 cumulative GPA to qualify for the second year of the grant.

National SMART (Science and Mathematics Access to Retain Talent) Grant

- ◆ Must be majoring in physical, life or computer sciences; mathematics; technology; engineering; or a foreign language critical to national security. For a list of eligible majors, go to <http://ifap.ed.gov/dpccletters/attachments/GEN0809.pdf>.
- ◆ Provides grants of up to \$4,000 in each of the third and fourth years (and fifth year of a five-year program) of undergraduate study, if you are a full-time student.
- ◆ Must be a U.S. citizen and Pell Grant recipient, and maintain a cumulative GPA of at least 3.0.

CAMPUS-BASED AID

Not all schools participate in these programs, so check with your financial aid office to determine what's available on your campus. Application deadlines vary by campus. It's important to apply early because when funds are gone, no more awards are made.

Federal Supplemental Educational Opportunity Grant Program

- ◆ Must be a low-income undergraduate student with exceptional financial need.
- ◆ Provides grants of \$100 to \$4,000 a year, depending on when you apply, your level of need, the funding level at your school, and your school's financial aid policies.
- ◆ The school will credit your account, pay you directly, or combine these payment methods.

Federal Perkins Loan Program

- ◆ Must be an undergraduate, graduate or professional student with exceptional financial need.
- ◆ Provided through a mix of federal funds, institutional contributions and loan repayments from previous borrowers.

- ◆ You may borrow up to \$5,500 per year if you're an undergraduate student and up to \$8,000 a year if you're a graduate student. The amount you receive depends on when you apply, your level of financial need, and the amount of funding at your school.
- ◆ The school pays you directly or credits your account.
- ◆ More than half of the loans go to students with family incomes of \$30,000 or less.
- ◆ As long as you are attending school at least half time, repayment begins nine months after you leave school. You are not charged fees for Perkins loans as long as you repay the school in full and on time.

Federal Work-Study

- ◆ Must be an undergraduate, graduate or professional student with financial need who plans to use earnings from part-time work to pay education expenses.
- ◆ Federal funds cover up to 75 percent of wages, with the remaining 25 percent or more paid by colleges and universities or businesses.
- ◆ Half the recipients come from families with incomes of less than \$30,000.
- ◆ Jobs pay at least the minimum wage, but the pay may be higher.
- ◆ The award amount depends on when you apply, your level of need and your school's funds.

LOANS

Students may borrow low-interest loans from participating lenders under the **Federal Family Education Loan Program** or directly from the U.S. government under the **William D. Ford Direct Loan Program**. The source of your loan depends on the school you attend. Both programs offer Stafford loans for students and PLUS loans for parents of undergraduate students and for graduate and professional students.

Stafford loans

- ◆ Must be an undergraduate, graduate or professional student attending an eligible school on at least a half-time basis.
- ◆ If you can demonstrate financial need, the federal government pays the interest that accrues on your subsidized Stafford loan while you attend college, for up to six months after you leave school, and when you are authorized to defer loan payments.
- ◆ You are responsible for all interest payments on unsubsidized Stafford loans, which are available to all eligible students.
- ◆ Annual and aggregate loan limits apply to Stafford loans, based on your year in school and dependent or independent status.

Continued on page 8

State Scholarships and Grants Can Help You Access College

State financial aid in Mississippi includes a variety of options, with the state offering \$30 million in financial aid each year.

The following highlighted programs focus on undergraduates. To learn more about these programs and others—including those for graduate students—contact the Mississippi Board of Trustees of State Institutions of Higher Learning by calling toll-free (800) 327-2980 or visiting www.RiseUpMS.com.

Critical Needs Alternative Route Teacher Scholarship Critical Needs Teacher Scholarship Program

Both programs are for students who are seeking their first bachelor's degree and are enrolled as juniors or seniors at a four-year Mississippi college or university. You must agree to be a full-time classroom teacher in a Mississippi public school in a critical teacher or subject shortage area immediately after graduation. The awards cover tuition, room and board, and you must agree to teach one year for each year of scholarship you receive. In the Alternative Route program, you must plan to enroll in an alternative teaching license program immediately after completing your bachelor's degree.

Gulf Coast Research Lab Minority Summer Grant for Undergraduates

For Mississippi residents who are minority students attending a state college or university and majoring in marine and environmental sciences, and who have been admitted to the Gulf Coast Research Laboratory Summer Academic Institute. These awards cover tuition for one summer session and provide a stipend.

Health Care Professions Scholarship for Undergraduates

For eligible Mississippi residents who are juniors or seniors at a Mississippi college or university majoring in speech pathology or psychology. Undergraduates are eligible for up to \$1,500 per year for two years. You must agree to practice at an eligible state health institution for one year for each year of scholarship.

Higher Education Legislative Plan

For eligible Mississippi residents pursuing their first certificate, associate or bachelor's degree and who apply within one year of graduating from high school. You must be enrolled full time in a Mississippi postsecondary institution, show financial need and meet certain other academic standards. Award covers tuition and fees at public institutions.

Mississippi Eminent Scholars Grant

For eligible Mississippi residents attending approved two-year and four-year eligible colleges and universities and pursuing their first certificate, associate or bachelor's degree. You must meet academic standards, including a cumulative high school grade point average of 3.5. Award covers tuition and fees up to \$2,500 for each academic year.

Mississippi Law Enforcement Officers & Firemen Scholarship

For students who are Mississippi residents and who are spouses or dependent children of full-time Mississippi law enforcement officers or firemen who were fatally injured or totally disabled from injuries incurred while performing official duties. You must be a full-time student and meet satisfactory academic standards. Award covers tuition, fees and average cost of campus housing at a public university or community college.

Mississippi Resident Tuition Assistance Grant

For eligible Mississippi residents who are pursuing their first certificate, associate or bachelor's degree at a Mississippi college or university. You must meet academic standards and receive less than the full Federal Pell Grant award. Freshmen and sophomores can receive up to \$500 per academic year, and juniors and seniors can receive up to \$1,000 per academic year.

Nissan Scholarship

For Mississippi residents who graduate from high school in 2009, meet certain academic standards, and are enrolled full time at a Mississippi public four-year or two-year college. You must demonstrate leadership abilities in extracurricular activities and show financial need. Nissan North America Inc. will award scholarships for full tuition, fees and a book allowance for up to two years of work at a two-year institution and up to five years of work at a four-year public university.



Photo courtesy of Hinds Community College—
Academic/Technical Center in Jackson.

Web Sites Offer College Planning Information

The Internet has a wealth of information about selecting colleges and obtaining student financial aid. Start your research with the following Web sites, and you can link to other helpful Internet sites and related topics.

www.mscolleggoalsunday.org — The College Goal Sunday 2009 site lists the sites throughout Mississippi where families can get help completing the Free Application for Federal Student Aid on Feb. 28.

www.RiseUpMS.com — Find resources including college planning information, financial aid specifics, details of state scholarship and grant programs, and profiles of Mississippi colleges at this site. The Mississippi Institutions of Higher Learning manages this site.

www.usafunds.org — College planning information specific to Mississippi, tools for managing a student loan, repayment calculators, and forms and publications for students and parents are a few of this site's features.

www.going2college.org — This College Access Initiative site, developed by USA Funds in cooperation with Mapping Your Future, is designed to help Mississippi residents make the most of their postsecondary education opportunities. Access this site and choose "Mississippi" to find information specifically about higher education agencies and institutions in Mississippi, savings plans and state financial aid programs.

Nursing Education Scholarship Program BSN

For eligible Mississippi residents who are juniors and seniors pursuing a bachelor's degree in nursing at a Mississippi college or university. You must agree to serve as a professional nurse in a public health position in Mississippi one year for every year of scholarship received or to serve as a full-time teacher in an accredited school of nursing in Mississippi one academic year for each year of scholarship received. You may receive up to \$4,000 per year for two years or a total of \$8,000 over three years if attending school part time.

Nursing Education Scholarship Program RN to BSN

For eligible Mississippi residents who want to upgrade their nursing degree. You must be a junior or senior who holds a current Mississippi nursing license and is pursuing a bachelor's degree in nursing at a Mississippi college or university. You must agree to serve as a professional nurse in a public health position in Mississippi one year for every year of scholarship received or to serve as a full-time teacher in an accredited school of nursing in Mississippi one academic year for each year of scholarship received. You may receive up to \$4,000 per year for two years or a total of \$8,000 over three years if attending school part time.

Summer Developmental Program Grant

For Mississippi residents who do not meet the admission criteria at a state public university and who have been accepted into the Summer Developmental Program at an eligible Mississippi institution. You must be under 21 years old, show financial need and have attempted fewer than 24 college credits.

William Winter Alternate Route Teacher Scholar Program

For eligible Mississippi residents who are seeking their first bachelor's degree and are enrolled as juniors or seniors at a four-year Mississippi college or university. You must plan to enroll in an alternative teaching license program immediately after completing your bachelor's degree and agree to teach one year as a full-time classroom teacher in a Mississippi public school for each year of scholarship you receive. You can receive up to \$4,000 a year for two years.

William Winter Teacher Scholar Program

For eligible Mississippi residents who are juniors or seniors at a four-year Mississippi college or university and who are enrolled in a program leading to a Class "A" teacher license. You must agree to teach one year in a public school in Mississippi for each year of scholarship you receive. You can receive up to \$4,000 a year for two years.

www.MISSISSIPPI.edu — Visit this site to link to the www.ParentGuide2College.com site for parents planning for college, www.RiseUpMS.com for students, and www.ThinkHigherMS.com for students transferring to four-year colleges from two-year schools.

www.collegesavingsmississippi.com — Learn details about Mississippi's two 529 plans that help residents save for college. Compare investment options, get rate charts for the Mississippi Prepaid Affordable College Tuition (MPACT) program, and enroll in MPACT at this site. Access a link to the Mississippi Affordable College Savings (MACS) Program.

www.collegesavingsms.com — This site provides details of investment options for the MACS Program and lets users open and manage their accounts.

www.collegeispossible.org — This site is an information resource for parents and students, developed by the American Council on Education. Learn how to jump-start your education, prepare for college, and pay for college.

www.knowhow2go.org — This site supports the multi-year, multimedia campaign launched last year by the American Council on Education, Lumina Foundation for Education and Ad Council to encourage students in grades eight through 10 to prepare for college. The site includes four simple steps students can follow and grade-by-grade activities to pursue to get ready for college.

<http://nces.ed.gov/collegenavigator/> — The U.S. Department of Education's National Center for Education Statistics sponsors this College Navigator Web site. Students, parents, high school counselors and others interested in postsecondary education in the United States can compare profiles of nearly 7,000 colleges and universities, and search by location, program or major, or other institutional characteristics.

www.ed.gov — The home page for the Department of Education includes details about federal financial aid programs and links to related topics and sites.

<http://studentaid.ed.gov> — This Department of Education site provides financial aid information and strategies for paying for and gaining admission to college.

www.fafsa.ed.gov — This Department of Education site gives prospective college students the opportunity to fill out the Free Application for Federal Student Aid online. Other features include information about aid programs, a list of frequently asked questions, federal school codes and a link to the Web site, www.pin.ed.gov, where students can apply for the Federal Student Aid personal identification number. Students and parents can use the PIN to apply online for aid and access their federal student aid records online.

SEVEN STEPS TO TAKE AFTER FILING YOUR FAFSA

Completing a Free Application for Federal Student Aid is the first step to qualify for federal and state financial assistance and a variety of other sources of aid for college. After you complete the FAFSA — either the paper form or the online version at www.fafsa.ed.gov — there are several additional steps to determine your eligibility for financial aid.

1. A U.S. Department of Education processor analyzes the information submitted on the FAFSA. Using a formula prescribed by the U.S. Congress, the processor calculates the Expected Family Contribution — the amount your family is expected to contribute toward college expenses.
2. A Student Aid Report reports your EFC figure. Review your SAR for accuracy and retain copies with your financial aid records.
3. You can make changes to your FAFSA information electronically through Corrections on the Web, to which you may link through www.fafsa.ed.gov, using a personal identification number. Or, you can correct the information on the paper SAR.

You can check the status of your FAFSA by calling (800) 4-FED-AID — (800) 433-3243 — or by accessing www.fafsa.ed.gov and clicking on "Check status of a submitted FAFSA." Please wait at least 24 hours after submitting a FAFSA before checking its status electronically.
4. The information from the processed FAFSA also is reported to the schools that you listed in Step Six of the FAFSA. The financial aid office of each school compares your EFC against its cost of attendance. The difference between those figures represents your financial need. The financial aid staff members attempt to meet this financial need by tailoring an aid package, which may include grants, work-study employment and loans.
5. Some financial aid applications will be selected for a federally required verification process. Your family may have to present federal tax returns and other financial documents to the financial aid office to verify that the information submitted on your FAFSA is accurate.
6. Some postsecondary institutions, particularly private colleges and universities, as well as graduate and professional schools, require students to file an additional financial aid form known as the CSS Profile. These schools use the additional information supplied on this form to determine the allocation of the school's own financial aid programs, including grants, scholarships and loans.
7. After the financial aid office completes its financial aid packaging, it sends an award letter, listing the types and amounts of aid for which you are qualified, as well as the estimated cost of attending the school. You review the award package and decide whether to accept it.

Using Credit Wisely Pays Off for a Lifetime

Whether you take out a student loan or simply apply for a credit card, you are entering the world of credit. Using credit has many benefits, including the opportunity to delay payment for something you receive now.

But it's important to learn how to use credit wisely. Otherwise, you could end up paying more than you should in interest rates and fees, and you could develop a bad credit history that might keep you from buying a house or getting a job down the road.

The bottom line with any type of credit: Pay it off and pay it on time. Ideally, pay credit card balances in full each month.

Here's why: If you have an outstanding balance of \$5,000 on your credit card, and your card has an interest rate of 14 percent, it will take you more than 20 years to pay off the balance if you make only the minimum monthly payments. By the time you pay it off, you'll have added another \$4,167 in interest for a total of \$9,167.

And that's if you don't buy anything else with your credit card.

So what do you do when you receive all those credit card solicitations in the mail or see the freebies the companies hand out on campus? Choose no more than one credit card — and only after careful study of the costs and benefits. Watch for the following:

- ♦ **Incentives** that appear to provide bonuses for card use. Many times these bonuses, such as airline miles, add up over a very long time.
- ♦ **Low introductory interest rates** that expire as soon as you begin to use the card. Most credit cards carry an interest rate of about 14 percent, but the rates can go much higher.

- ♦ **Balance transfer offers.** Companies sometimes offer a lower initial interest rate if you transfer a balance from any of your other credit cards. But they usually charge a fee for this transaction.
- ♦ **Late payment interest penalties.** If you miss a payment by just a day or two, your interest rate can skyrocket.
- ♦ **Cash advance offers.** Many times these offers carry fees of 2 to 4 percent of the cash advance, plus much higher interest rates than you normally pay.

Credit cards are only one type of credit you'll likely access during college. If you live in an apartment off campus, you'll have rent, utilities and other bills to pay each month. Even if you live on campus, you'll need to pay for your cell phone use and possibly make monthly payments on a car, if you have one. And once you graduate, you'll likely add student loan payments to the list.

Establish and check credit

It's important that you pay all of these bills on time because that is how you can establish good credit. Pay your credit card balances each month, and don't charge up to the maximum limit. Credit reporting agencies track your bill paying history, and they rate individual credit reports based on this history. Paying a bill late, or not at all, lowers your credit rating.

The higher the rating your credit report receives, the better. With a good credit rating, you'll be able to obtain additional credit to buy a house or car or obtain loans for other purchases or additional education. Businesses and potential employers can access credit report ratings and use the information in making decisions — including hiring decisions.

It's wise to check your credit report each year to ensure it is accurate. You can get a free copy of your credit report at www.annualcreditreport.com or by contacting one of the three main credit reporting agencies:

- ♦ Experian — www.experian.com.
- ♦ Transunion — www.transunion.com.
- ♦ Equifax — www.equifax.com.

FEDERAL PROGRAMS

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For loans first disbursed on or after July 1, 2008, you may be charged up to 2 percent of the total Stafford loan amount in loan fees. For loans first disbursed after July 1, 2009, you may pay up to 1.5 percent in loan fees.

- ♦ Repayment typically does not begin until six months after you leave school.
- ♦ Interest rates on Stafford loans disbursed from July 1, 1998, to June 30, 2006, are variable and are adjusted annually but may not exceed 8.25 percent. Currently the interest rate is 4.21 percent.

For loans first disbursed on or after July 1, 2006, the interest rate is fixed at 6.8 percent. Starting July 1, 2008, interest rates on subsidized Stafford loans for undergraduate students will be reduced according to this schedule:

- Disbursed after July 1, 2008, 6 percent.
- Disbursed after July 1, 2009, 5.6 percent.
- Disbursed after July 1, 2010, 4.5 percent.
- Disbursed between July 1, 2011, and June 30, 2012, 3.4 percent.

Unsubsidized Stafford loans for both undergraduate and graduate students will continue to carry a fixed interest rate of 6.8 percent.

- ♦ Some FFELP lenders offer interest-saving benefits on Stafford loans.

PLUS loans

- ♦ Must be a parent of an undergraduate, dependent student, or you must be a graduate or professional student. If you are a graduate or professional student, you must complete the FAFSA and have applied for your annual loan maximum under the Federal Stafford Loan Program to be eligible to borrow under the PLUS loan program.
- ♦ A credit check is required.
- ♦ You may pay loan fees of up to 4 percent of the total loan amount, and these are generally taken out at disbursement.
- ♦ The annual PLUS loan limit is equal to the cost of attendance less any financial aid.
- ♦ If your PLUS loan was first disbursed prior to July 1, 2008, repayment begins 60 days after the final loan disbursement of the academic year. If you are a graduate or professional student who has a PLUS loan that meets this criterion, you

may defer repayment during periods when you are enrolled in school at least half time.

- ♦ If your parent PLUS loan was first disbursed on or after July 1, 2008, you are eligible to defer repayment while your undergraduate student attends school at least half time and for six months after the student graduates, leaves school or drops below half-time attendance. If you are a graduate or professional student who has a PLUS loan that meets this criterion, you also are eligible for these in-school and post-enrollment deferment periods.
- ♦ For all PLUS borrowers, interest begins accruing from the date of the loan's first disbursement.
- ♦ Interest rates on Federal PLUS loans disbursed from July 1, 1998, to June 30, 2006, are variable and are adjusted annually but may not exceed 9 percent. Currently the interest rate is 5.01 percent. For PLUS loans disbursed on or after July 1, 2006, the interest rate is fixed at 8.5 percent for FFELP PLUS loans and 7.9 percent for Direct PLUS loans.

Source: U.S. Department of Education. For more information, call the Federal Student Aid Information Center, (800) 433-3243, or visit the Web site, www.studentaid.ed.gov.