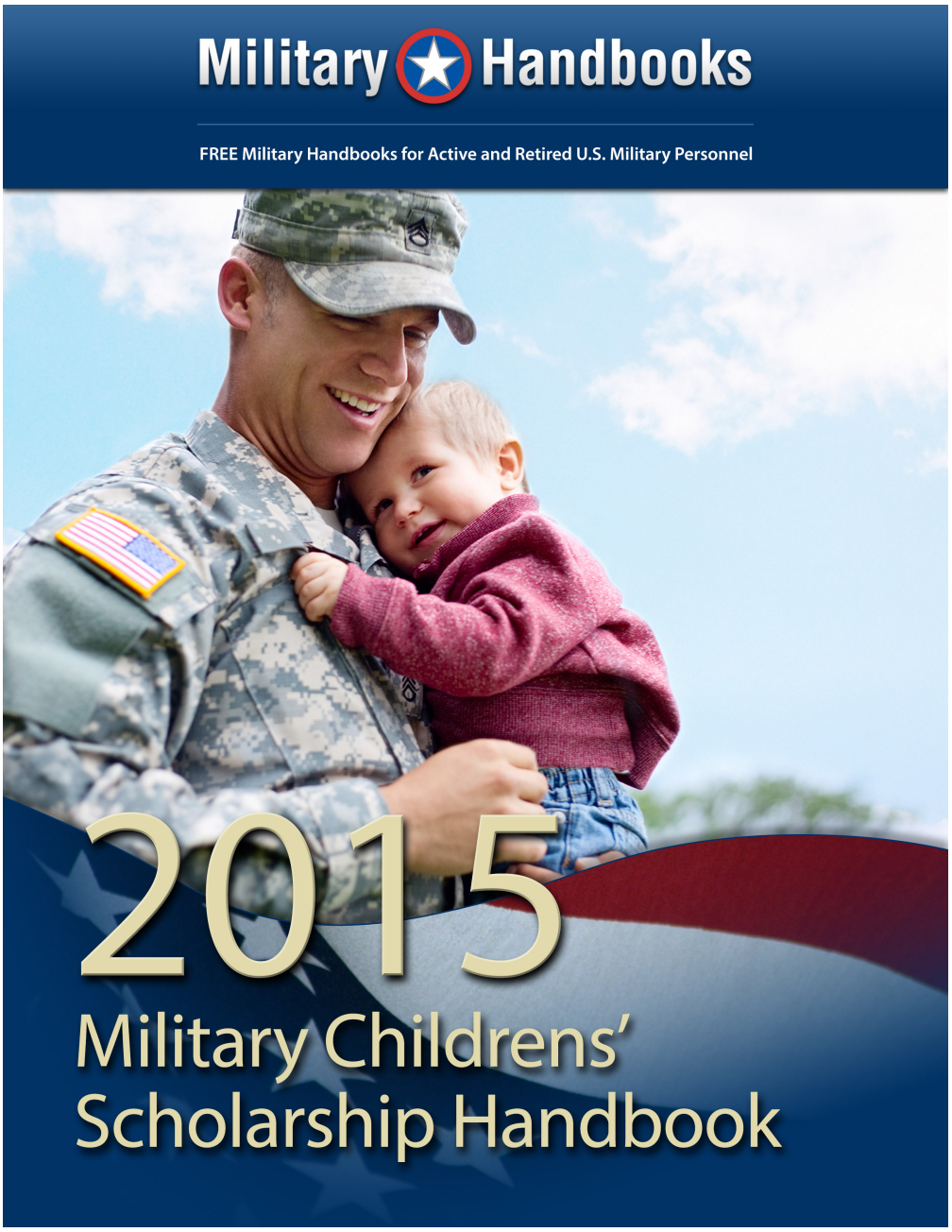

2015 Military Children's Scholarship Handbook

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Introduction

College as an Investment

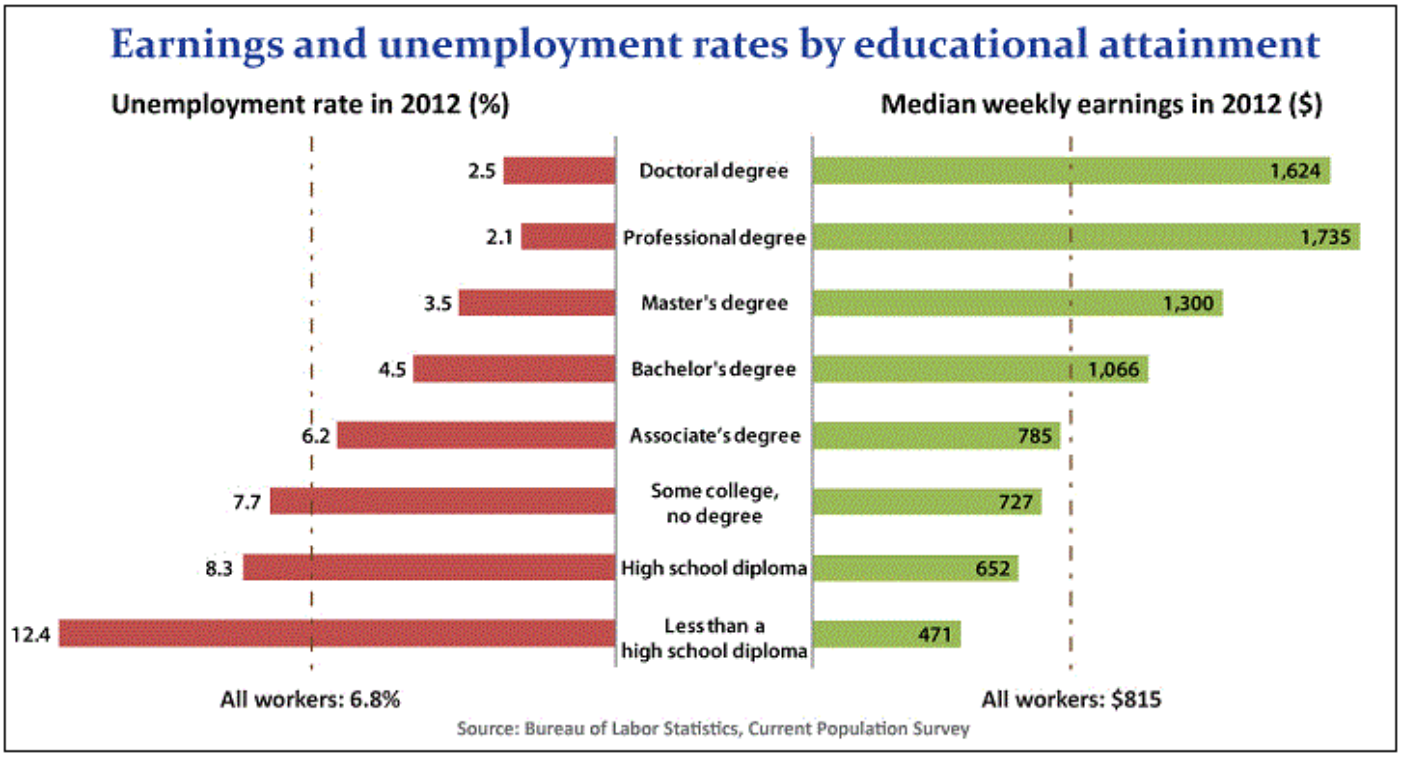
A college education is a big investment of time, money, and effort. It's also a great investment, one that pays off financially, socially, and personally. Financially, the average college graduate can expect to earn a million dollars more during his or her career than the average high school graduate. Invested wisely, that huge extra amount of discretionary income can mean an enormous difference in quality of life. It means a bigger house in a better neighborhood, better schools for your children, and financial independence: the freedom to do what you want.

And, of course, college pays off in ways ultimately more important than financial. Education beyond high school can give you choices that may not otherwise be possible, open doors to better paying positions, and give you the opportunity to do the things you enjoy most. By advancing your education, you can expand your possibilities and increase your career choices. A university education prepares you to get more out of life. Mastering the ability to learn about all but the most complex subjects allows you to make better, wiser decisions. The intellectual growth you make in college allows you to more fully appreciate almost every aspect of your life.

It has been said that the man who knows how will always have a job -- working for the man who knows why. College –if you take advantage of it – lets you become the person who knows why, the individual with deeper insight into reality. College is one of the most wonderful opportunities in life that exist for personal growth. Socially, it is great too, because you get to associate with other people who are trying to prepare themselves for a richer, fuller, more exciting and satisfying life. In college, many people form their greatest friendships, relationships that last for life.

But as great as college is, let's be honest, it is expensive. Often, the hardest part of the equation is figuring out how to pay for it – without putting yourself (or your parents) in the poor house. This Military Handbook was published to help you put the pieces of the puzzle together – and to help you find the funding you need to pursue your goals for college – and beyond.

As young men and women seem to grow-up faster and faster every year, there is a great temptation to move from high school directly to the workplace. Indeed, it's hard to stay in school if you think you need to be working to earn money. But college really is an investment that pays great dividends – for the rest of your life. College gives you a wider variety of jobs to choose from, and – most importantly – you'll earn significantly more money over your lifetime with a college degree in hand. Just check out the earnings and unemployment rates for people with different levels of education:



(Verified on 10/27/13): To view the latest stats, visit http://www.bls.gov/emp/ep_chart_001.htm

The old tagline was that "college isn't for everyone." But that's no longer strictly true. Whether you want to go full-time, part-time, days or nights, or even get your degree from an "online" university – you can make it happen. And you can study a greater breadth of courses, topics and majors than ever before. This is truly an extraordinary time for those seeking a college degree.

We hope that you find this Military Handbook helpful and we wish you the best of luck in your pursuit of your college degree. And remember to study hard, work hard and most importantly– enjoy your future.

– *The Military Handbook Staff*

Preparing for College Chapter 1

If you want to make college a success, you can't just wander onto campus expecting the experience to change your life. If you want a different and better life, you are the one who is going to have to create it.

All that college will do is to provide you a place among a community of learners and given access to resources that empower learning. Study in college is different from study in high school. Your professors are going to expect you to be motivated and to be capable of independent study and learning. They are going to present challenging material and expect you to master it. They are going to give you assignments that measure your intellectual growth, but they are not going to hold your hand and see that you DO the assignment.

Your future in college and after college is really up to you. So, right now, your watchword should be taken from the Boy Scouts:

Be prepared!
You can get a great college education anywhere you go to school. What makes all the difference; is you, your motivation, and your preparation.

College Preparation Schedule
Here is what the ideal college preparation schedule looks like. It assumes that while you are still in elementary school, your parents are wise enough to begin to take steps to get you truly prepared for college. Of course, such perfect planning is the exception, rather than the rule, so in the following section, we'll outline a more realistic program for the rest of us relatively late bloomers.

Still, with enough time available, you would do the following:

Pre-High School

- Take challenging classes in English, mathematics, science, history, geography, the arts, and a foreign language.
- Develop strong study skills and habits.
- Start writing a journal.
- Start thinking about which high school classes will best prepare you for college.
- If you have an opportunity to choose among high schools, or among different programs within one high school, investigate the options and determine which ones will help you:
    - Further your academic and career interests
    - Open doors to many future options
- Start saving for college if you haven't already. Investigate different ways to save:
    - Buy a U.S. Savings Bond
    - Open a savings account in a bank
    - Invest in mutual funds

High School: 9th Grade

- Take challenging classes in English, mathematics, science, history, geography, a foreign language, government, civics, economics, and the arts.
- Focus on building your skills as a writer. Good writers are almost invariably good learners.
- Get to know your career counselor or guidance counselor and other college resources available in your school.
- Talk to adults in a variety of professions to determine what they like and dislike about their jobs, and what kind of education is needed for each kind of job.
- Continue to save for college.

High School: 10th Grade

- Take challenging classes in English, mathematics, science, history, geography, a foreign language, government, civics, economics, and the arts.

- Talk to adults in a variety of professions to determine what they like and dislike about their jobs, and what kind of education is needed for each kind of job.
- Become involved in school or community based extracurricular activities that interest you and/or enable you to explore career interests.
- Meet with your career counselor or guidance counselor to discuss colleges and their requirements.
- Take the Preliminary SAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT). You must register early. If you have difficulty paying the registration fee, see your guidance counselor about getting a fee waiver.
- Take advantage of opportunities to visit colleges and talk to students.
- Continue to save for college.

High School: 11th Grade

- Take challenging classes in English, mathematics, science, history, geography, a foreign language, government, civics, economics and the arts.
- Meet with your career or guidance counselor to discuss colleges and their requirements.
- Continue involvement in school or community based extracurricular activities.
- Decide which colleges most interest you. Contact them to request information and an application for admission. Ask about special admissions requirements, financial aid and deadlines.
- Talk to college representatives at college fairs.
- Visit colleges and talk to students.
- Consider people to ask for recommendations – teachers, counselors, employers, etc.
- Investigate the availability of financial aid from federal, state, local, and private sources. Talk to your guidance counselor for more information.
- Investigate the availability of scholarships provided by organizations such as corporations, labor unions, professional associations, religious organizations, and credit unions.
- If applicable, go to the library and look for directories of scholarships for women, minorities, and disabled students.
- Register for and take the SAT I, the ACT, SAT II Subject Tests or any other exams required for admission to the colleges you might want to attend. If you have difficulty paying the registration fee, see your guidance counselor about getting a fee waiver.
- Continue to save for college.

High School: 12th Grade

- Take challenging classes in English, mathematics, science, history, geography, a foreign language, government, civics, economics, the arts, and advanced technologies.
- Meet with your counselor early in the year to discuss your plans.
- Complete all necessary financial aid forms, especially the Free Application for Federal Student Aid (FAFSA). Apply online at: www.fafsa.ed.gov.
- Write colleges to request information and applications for admission. Ask about financial aid, admissions requirements, and deadlines.
- If possible, visit the colleges that most interest you.
- Register for and take the SAT I, ACT Assessment, SAT II Subject Tests or any other exams required for admission to the colleges to which you are applying. If you have difficulty paying the registration fee, see your guidance counselor about getting a fee waiver.
- Prepare your application carefully. Follow the instructions, and PAY CLOSE ATTENTION TO DEADLINES! Be sure to ask your counselor and teachers at least two weeks before your application deadlines to submit the necessary documents to colleges (your transcript, letters of recommendation, etc.).

But what do you do if you're through high school and you **didn't** do all of the things necessary to prepare yourself for college? There's still hope! It's going to mean playing some catch up, but you can do it. Amazing progress has been made in the past decade in our understanding of the human brain, how it works, and how to help it do its job efficiently. The first step is to find out where you are. This requires some honest and realistic assessment of your current study skills.

Study Skills Assessment

Here is a simple survey that can give you a snapshot of where you are on the spectrum of study skills.

Read the following 34 statements and put a check mark by the ones that apply to you. (For now, disregard the symbols following each sentence.)

Do this quickly. Be honest but don't agonize over your response.

1. I listen to music or TV when I study@
2. My mind wanders in class*
3. I rarely review for tests***
4. I cram late the night before@
5. I try to write down everything the instructor says NT
6. I don't seem to write down the right things in class NT
7. I often forget important assignments and test dates@
8. I write papers the week before they're due ORG
9. I read at the same speed and in the same way**
10. I usually remember little of a chapter I just read*
11. I feel overwhelmed by the amount of homework@
12. I have trouble finishing reading assignments on time OR
13. I often don't finish all my homework on time ORG
14. I want to be able to read faster**
15. I often can't find the information I need on the Internet CMP
16. I get very anxious before tests and do worse than I could***
17. I must reread entire passages two or three times before I understand**
18. My mind tends to wander when I read**
19. I need to study longer than I do*
20. I hate to read**
21. I have trouble understanding my notes NT
22. I hate to write RT
23. I don't use a calendar to schedule study@
24. I study for some tests but forget what I studied***
25. I find myself daydreaming in class* CN
26. I have trouble identifying the important points in what I read**
27. I almost never look at my class notes OR
28. I can't understand my class notes when I do look at them NT
29. After about 15 minutes of study, I am bored *
30. My essays get marked down because of lack of organization OR
31. I don't have enough time for both a social life and study@
32. I don't understand how to outline OR
33. A social life deserves higher priority than homework AT
34. Teachers talk so fast I miss important points NT

Analysis

Count check marks. If you marked more than 9, you have plenty of room to grow in your ability to handle information. If you do not set out to improve your study skills, you are going to be held back by a lack of ability to handle college level work. But, don't worry! No one was born knowing how to study. And anyone can learn to be a good student.

Next, notice the letters and symbols at the end of each statement. Count how many you have of each kind. If you have two or more of a particular mark, this is a skills area that would benefit from extra attention and effort.

* = work on concentration
** = reading and comprehension skills
*** = text prep and anxiety
@ = lack of organization
OR = lack of proper research and organizational skills
CMP = improved computer skills
NT = better system for note taking
A = work on attitude

No matter where you are, don't be discouraged. Remember that awareness of ignorance is the beginning of wisdom. You have to have the courage and honesty to face your current limits before you can hope to expand your abilities.

Just remember that all of these are *learnable* skills. You CAN get make huge improvements in all of these areas. To further refine your list of the skills you need most to develop, conduct the following brief survey.

Using the Results

Look over the survey carefully. Identify those areas which need work. A good way to start learning how to grow in that area is to simply do an online search. Choose a term like "library skills" and just Google it. Click through the top twenty or thirty or more results. Go to amazon.com and search the same term. Read reviews and excerpts. You'll almost certainly find helpful resources.

Of course, the fundamental intellectual skill is reading. No matter how well you read right now, you can become a better reader. Few things will pay off more in your intellectual growth than learning to read effectively. Remember, that doesn't necessarily mean fast. It means really understanding what you are reading. One of the things that large amounts of experience reading a variety of text from simple to complex gives you, is a sense of adapting your reading speed to the material at hand. Simple narrative text can be read rapidly, but dense and intricately woven passages require slowing down and making sure you understand everything. If you don't understand something, mark the text! Read other material on the same topic; ask fellow students or the teacher.

The real touchstone in reading is the ability to paraphrase. Read a passage and then tell yourself what it means in your own words. If you cannot do this, you do not understand it. It is not your own intellectual possession until you can explain it in your own words as simply and clearly as possible.

This is a good place to observe that in the world of academia, you are going to run into a great many intellectual frauds. These bogus scholars pretend to know more than they do. They use words not to clarify and illuminate but to obfuscate and hide behind.

Be aware that if you are having great difficulty in understanding something, it might not be your fault at all, but the fault of a fraud who hides his ignorance by making things seem more complicated instead of expressing ideas as simply as possible.

A complete treatment of the entire arsenal of study skills is well beyond the scope of this book. However, we CAN provide some helpful tips, tools, and techniques that should help you unlock the golden door of the temple of knowledge. Here's the shortest, best lesson we can offer:

The Golden Key to Learning

Some years ago, a study conducted at Stanford University revealed one of the most important secrets of learning. It was a simple study with a powerful lesson.

The researchers randomly divided Stanford undergraduates into three groups and assigned them to study a chapter. The first group was asked to read the chapter. The second group was told to read the chapter and go back over it underlining what they thought were important points. The third group read the chapter, underlined important points, and then wrote notes about the chapter, essentially writing a short summary.

They then tested the three groups of students on their mastery of the material.

Do you think there was a significant difference among the three groups?

You bet! The first group – those who read the chapter – made a "C". The second group – those who read it and underlined it – made a "B". And the third group – who read it, underlined it, and took notes on it – made an "A."

The lesson is unmistakable: if you really want to master a topic, you must read it; re-read it, underlining important points; and then take notes on it. Especially crucial is note taking. You need to take notes even if you never even look at them again!

Something magical happens when you take notes; by putting the ideas into your own words, they become part of your intellectual possessions. You own the idea and retain it instead of merely borrowing temporary understanding.

Repetition is out of fashion among most educators today. Many theorists sneer at the use of drills, but there is one powerful argument for going over material and making sure you pound it into your brain: it works.

One final note on notes: it is not enough to copy text verbatim. The idea is not to repeat parrot-like but to paraphrase: put it into your own words, rewrite the text. One old professorial saw goes this way: "If you can't say it in plain English, you don't understand it." One could paraphrase this, this way: "If you are unable to explain something in your own words, you just don't get it."

The Vital Skill: Reading

Reading is the key intellectual skill. Most of what you learn in college comes from reading. Reading has three essential components: speed, comprehension and recall. Speed is less important than the related skills of comprehension and recall. (In fact, no speed reading course claiming to teach reading speeds of 1,000 words a minute has ever been shown scientifically to be of real value.) What counts is not speed but understanding. You CAN learn to be a better reader.

Just running your eyes over the text is not reading. It's like hearing without listening. Reading takes mental focus. Incidentally, one of the great benefits of learning to read well is that it helps you learn to write. By reading the best thoughts of the best minds, you almost osmotically absorb their genius. You experience great writing and great thinking, and if you do enough of it, it sinks in and you unconsciously imitate them. All great art begins with imitation. This is why you see student painters standing before easels in museums imitating the great masters. This is why you need to learn to love reading and immerse yourself in the artistry of the great writers as well as the not so great artistry of ordinary writers.

How to Read a Text

A good place to begin is by studying the table of contents. Some of them are rich with information: they list every major point or topic. The preface can be a useful description of what you will find in the book. The introduction often gives in detail a complete overview of the book, a chapter by chapter summary.

If the book is about a subject requiring mastery of a whole new vocabulary, there is likely to be a glossary, essentially a short dictionary defining new terms.

The bibliography lists the books the author used in his research. One of the most useful tools is the last thing in the book: the index, an alphabetical list of every important topic and term with its page number.

Use Other Resources

Often ignored by students, because it seems like extra work instead of a huge time saver is the use of other books. But these can be extremely useful, unlocking incomprehensible mysteries.

The fact is that most college textbooks are not written by professional authors. The authors may be world class experts in their field, but they are unlikely to be wonderfully clear writers. Experts understand their own field so well that they tend to appreciate how little others grasp their subjects. This is why so many great experts make dreadful teachers!

So, if you find a passage, section, or entire chapter impossible to understand, go find another book on the same subject. One of the biggest secrets of top notch students is the use of really "dumbed down" books to understand a topic. So if you're having trouble in college level physics or chemistry, go to the library and get a book or two on the 8th grade level; these are written to be easy to understand. Use these as guides to the important ideas that make up a given area of study. Once you've gotten a good overall grasp of a subject from a more elementary book, look for a more readable book than the textbook assigned for your class. Many students struggle and sweat and even give up, because they do not realize that it is not their fault they do not understand, it is the fault of the author who failed to write a book that explains clearly the terms and ideas it should.

Dissecting Each Chapter

The first thing to do with an assigned chapter is to give it a quick overview. Before you start reading, study all of the following clues built into the chapter. Look at the chapter title and all bold-faced sub headings. Go over it first reading only these and italicized words. If the author is competent, this should give you an understanding of the structure of the chapter and give you a framework on which to hang all the ideas.

Too many students simply leap into the chapter at the front and read it to the end. This is a strategy that is bound to give poor results. First, get a grasp of what it is all about. This will help you understand the relationship of one idea to another; how everything ties together.

Next, pay careful attention to both the start and end of the chapter. There you will find in well written books short introductions and excellent summaries. Understanding of what the writer is driving at will help you assemble the building blocks he is using.

Pay attention to charts, graphs, tables, maps and illustrations. If there are questions at the end of the chapter, read these before you read the text.

We study in order to learn. But first we must learn to study!

Successful students are not necessarily any more brilliant than their less successful peers, but have simply mastered the art of efficient learning. Oddly enough, many people with brilliant minds are not great students. They have naturally great intellects but allow them to remain untrained.

Learning is utterly natural. We are meant to be learners. Our society – all societies – exists because we are learners. Almost everything that surrounds us that is meaningful and wonderful exists because of a huge amount of learning achieved by a huge amount of people over a vast stretch of time.

If you hate reading and writing and studying, it is only because you have not yet learned how to do it well. None of us likes to do anything that we do not do well, and as natural as it is for us to learn, first of all, we have to learn how to do it!

Probably the most important thing to have in setting out to become an effective learner is the right attitude. We need to adopt the attitude of a smart student. This attitude is composed of a love of learning, a willingness to learn, and the knowledge that no one teaches you better than you teach yourself because we all learn in different ways, and only we know how we learn best.

Making Good Grades

There is a difference between being a smart person and a smart student. Attitude alone is not enough to succeed in school if you do not know all the rules.

School is a game, but it is an extremely important game. One of the most obvious, and most denied, rules of the game is that there is nothing more subjective and biased than grading.

Grades can even be determined by how a student dresses, where a student sits, and -- especially -- the teacher's personal opinion of a student. Important in establishing a reputation as a "good student," is making a good impression early in the course. Dress well, sit near the front of the class, work extra hard on the first few assignments.

Actively involve yourself in what you are reading, keep the main themes in mind, and connect the major ideas. Ask yourself questions. Ask the book questions. And key to understanding and internalizing information is 'translating' what you have learned into your own personalized every day language. Put it in "your own words."

You Can Learn Anything

The most exciting thing you will learn is that you can master anything you want to learn. Whether it's your high school diploma, college career program, university degree courses, sales training seminar, or professional licensing exam, there is no limit. You can learn anything you want if you unlock the genius hidden inside you. The possibilities and potential are extraordinarily exciting.

Believe it or not, you are already an incredibly efficient learner. Acquiring a language and walking are two of the most complex activities in which humans engage. Despite the exploding knowledge revolution it is still not yet possible to get enough computing power to synthesize these basic human achievements. It takes a very sophisticated learning capability to achieve language and walking. Just driving a car takes a great deal more brain power than piloting the lunar excursion module that landed on the moon.

It's all about maximizing efficiency by relaxing, focusing, and using time wisely. Making goals and uniting all the intelligences. It's simple, but effective.

Some observers believe that the rate of new information is doubling every six months and that most of what you learn today will be obsolete in two years. If you're worried about keeping up, bewildered and stressed and feeling overwhelmed by the information explosion, relax. Literally! It can mean the difference between success and failure. You cannot dance when you're locked into a karate crouch. Neither can you think creatively when stress, fear, and anxiety dominate you.

One of the new insights emerging from the field is the importance of the right psychological techniques for better studying. In essence, the optimum psychological state for studying involves getting into a "relaxed intensity" state of mind. To enter in such a state, one must continually and patiently practice studying at the same time and location. One

must also practice clearing both internal and external psychological distractions. Of course, it also takes some fundamental study techniques such as note taking, listening, and asking better questions.

Capturing lost time

Some of the best time to learn is during the day. Build the habit of reclaiming bits of time that would otherwise be wasted and you can double your rate of learning. One of the most powerful learning tools is the ordinary flash card. Make up flash cards for things you are learning – vocabulary, math formulae, terminology, and historical dates – and carry them with you. They'll slip into a pocket or purse. Haul them out and review them when you're eating breakfast, waiting for a bus, waiting in line, waiting for the teacher to start a lecture. Over a period of months, these brief study moments will add up to hours and hours of valuable study time. Don't waste these bits of golden learning opportunities.

Other especially valuable times are those five minutes right after class. Use these to review your notes, maybe ask another student about something you didn't quite get. Going over your notes for just five minutes after class can easily double the amount that you retain! The key is to do it right now, immediately after class is dismissed. That's when you still have floating around in your head, information that can easily be transferred to long term memory before it dissipates into the ether.

A good book on study skills is '*Getting Straight A's,* by Dr. Gordon W. Green. It presents a simple approach that can be used for any subject. It is so simple, in fact, that one reader suggests that you don't even need the book if you just put into practice the advice given on the back cover:

1. Plan a course of study
2. Choose your instructor
3. Never miss a class
4. Sit in the front row
5. Complete your reading assignment before class
6. Take extensive notes
7. Rewrite your notes before the next class
8. Start reviewing your notes one week before a test
9. Make yourself test-wise
10. Show your instructor what you have learned

Most people fail to become top students simply because they do not know that they can do it, that what it takes to be super successful can be learned. You have to believe you can do it before you even try. The Roman emperor Marcus Aurelius said it well "Do not think that what is hard for you to master is impossible, but if a thing is possible and proper to man, deem it attainable by you." In other words, attitude is all important.

Education after High School – The Basics Chapter 2

Questions to ask when considering a college:

1. Does the school offer the program and courses that I'm interested in?
2. Do I meet the admissions requirements?
3. Does the school offer a quality education at a reasonable price?
4. Does the school offer the services I need and activities I'm interested in?
5. What are the job placement rates for students who have recently graduated?
6. What is the school's accreditation, licensing?
7. What is the student loan default rate?
8. What type of security does the school have and is a copy of the most recent campus security report available?
9. What type of financial aid is available from the school? Federal, state, local, private and institutional financial aid programs?
    a. How does the school determine my financial aid need?
    b. How are financial aid recipients selected?
    c. When will I receive any financial aid that I'm awarded?
10. What are the percentage of a graduating class that completes the school's program and the percentage of those students who transfer out of the school?
11. What is the size of the student body?
12. What is the demographic breakdown of the most recent class to be admitted?
13. What are the graduation rates?

Types of Higher Education

There are many types of institutions that offer higher education. You will need to determine which type of school is best for you:

- **Liberal Arts Colleges:** focus on the humanities, social sciences and sciences
- **Universities:** typically offer a greater number of majors and extensive research facilities
- **Community or Junior Colleges**: Usually involve 2 years of full-time study for technical programs
- **Agricultural, Technical or Specialized Colleges**: Usually prepare you for a specific career choice in art/ music, business, health science, or teaching.

You will also need to decide if you want to go to public school or private school. Public schools typically get most of their funding from the state or local government, while private institutions rely on endowments, tuitions and private contributions.

Resources for finding the right college:

- College fairs
- High school guidance office
- Online college fairs/Internet
- Public Library

Entrance Exams Chapter 3

Most colleges require college entrance exams to measure and compare the student's ability to complete college-level work with other students from different schools. College exams are not the only criteria the school looks at for admission. They also look at the student's academic performance, submitted application with essays and recommendations, and the student's outside activities.

However, the college entrance exam is a key measurement; so students should prepare thoroughly so that they can perform well. There are two major college exams: the SAT and the ACT. You must check with your college to learn which exam it requires. Scoring high on college entrance exams is quite different from earning straight A's in school. You don't need to try to learn everything there is to know about algebra or science reasoning–only the strategies and information you'll need to get your highest score.

PSAT/NMSQT

The PSAT/NMSQT is a practice exam for the SAT that students usually take during their junior year of high school. PSAT stands for Preliminary SAT and NMSQT stands for the National Merit Scholarship Qualifying Test. It's a standardized test that provides firsthand practice for the SAT Reasoning Test. It also gives you a chance to enter National Merit Scholarship Corporation (NMSC) scholarship programs. The PSAT/MMSQT is offered every year in the middle of October at high schools throughout the country. Homeschoolers can sign up there to take the test, which is given on the days set by the College Board and can be found at http://www.collegeboard.com/student/testing/psat/reg/dates.html along with fees and other information.

The PSAT/NMSQT measures:

- critical reading skills
- math problem-solving skills
- writing skills

You have developed these skills over many years, both in and out of school. This test doesn't require you to recall specific facts from your classes. The most common reasons for taking the PSAT/NMSQT are:

- To receive feedback on your strengths and weaknesses on skills necessary for college study. You can then focus your preparation on those areas that could most benefit from additional study or practice.
- To see how your performance on an admissions test might compare with that of others applying to college.
- To enter the competition for scholarships from the National Merit Scholarship Corporation (grade 11).
- To help prepare for the SAT. You can become familiar with the kinds of questions and the exact directions you will see on the SAT.
- To receive information from colleges when you check "yes" to Student Search Service.

The PSAT/NMSQT is worth preparing for.

The best way to get ready for the PSAT/NMSQT is to spend your school years taking challenging academic courses and reading widely. However, it is well established that you can boost your performance on the PSAT/NMSQT – and the SAT – through careful preparation. Specific suggestions appear below. First, a quick overview of the PSAT/NMSQT:

Critical Reading

- **Sentence Completion** questions measure your knowledge of the meanings of words and ability to understand how the different parts of a sentence logically fit together.
- **Passage-Based Reading** questions measure your ability to read and think carefully about a single reading passage or a pair of related passages.

Math

The math section of the PSAT/NMSQT requires a basic knowledge of numbers and operations; algebra and functions (though not content covered in third-year math classes--content that will appear on the new SAT); geometry and measurement; and data analysis, statistics, and probability. You can use a calculator to answer math questions, but no question on the test requires a calculator.

- **Multiple Choice** questions ask you to decide which answer is the best of the choices given.
- **Grid-ins**, or student-produced response questions; require you to solve a problem and enter your answer.

Writing Skills

The multiple-choice questions on writing skills measure your ability to express ideas effectively in standard-written English, to recognize faults in usage and structure, and to use language with sensitivity to meaning.

- **Identifying Sentence Errors** questions test your knowledge of grammar, usage, word choice, and idiom. You are required to find errors in sentences or indicate that there is no error.
- **Improving Sentences** questions ask you to choose the best, most effective form of an underlined portion of a given sentence.
- **Improving Paragraphs** questions require you to make choices about improving the logic, coherence, or organization in a flawed passage.

You can find practice questions for the different types of questions listed above at http://www.collegeboard.com/student/testing/psat/prep.html.

Preparing for the PSAT/NMSQT

There are two approaches to preparing for the PSAT/NMSQT: long-term and short-term. Ideally, it's best to do both.

Long-Term Preparation

- Take a good selection of solid academic courses, read widely, and work hard at your studies.
- Enroll in the most challenging courses you can handle in English, mathematics, science, social studies, foreign languages, and fine arts.
- Get involved in problem-solving activities through clubs, sports, hobbies, part-time jobs, etc.

Short-Term Approaches and Strategies

- Take the practice test in the Official Student Guide to the PSAT/NMSQT
- Take a PSAT/NMSQT preparation course*
- Study one of the many available books on PSAT/NMSQT preparation
- Learn the directions for each type of math and critical reading question.
- Try sample questions from past tests at http://www.collegeboard.com/student/testing/psat/prep.html.
- Earn as many points as you can on easy questions.
- Read all the answer choices before marking your answer sheet.
- Do your scratch work in the test book.
- Don't feel you have to answer every question.
- Work steadily -- don't waste time on hard questions. You can always go back to them later.
- Check your answer sheet regularly to make sure you're in the right place.
- Write your answers to grid-ins in the boxes above the ovals.
- Try educated guessing when you can eliminate at least one answer to a multiple-choice question. Be sure you understand the difference between educated and random guessing.
- Take a calculator to the test with you.

About Guessing

Educated guessing: means guessing an answer whenever you are able to eliminate one or more of the choices as definitely wrong. Educated guessing may help you.

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- **Random guessing** probably won't help you because of the way the test is scored. Random guessing means that you have no idea which answer choice is correct. Don't waste time on that kind of question. Move on to the next one.

*Note: The following precautions are recommended if you receive unsolicited calls from persons identifying themselves as belonging to a test-preparation company:

- Never provide credit card information.
- Don't commit to a purchase regardless of the caller's high-pressure tactics.
- Get the company's contact information and the name of the caller; ask for a callback number.
- Contact your local consumer affairs office, your local Better Business Bureau and/or the Federal Trade Commission (FTC) if the company continues to make unsolicited phone calls.

The Best PSAT/NMSQT Prep Tools

One of the most cost-effective tools to help you prepare for the PSAT/NMSQT are books. If you buy the books and practice on your own, and master some of the test taking techniques -- like eliminate and guess -- you can improve your score without paying around $1,000 for a course. Search "PSAT/NMSQT" on the Amazon.com Website and you'll find that for around $10 you can buy a used PSAT/NMSQT prep book.

One good book is Cracking the PSAT/NMSQT: 2014 Edition by The Princeton Review. It promises to bring you proven techniques from the test prep experts. This edition includes 2 full-length practice tests and strategies that will help you score higher. The effort in *Cracking the PSAT/NMSQT* is to teach you how to think like the test writers. This will let you:

- Eliminate answer choices that look right but are planted to fool you.
- Master the most important PSAT/NMSQT vocabulary words.
- Crack even the toughest subjects: geometry, vocabulary, algebra, grammar, and more.
- Ace the math and short critical reading questions.

Plus, the practice questions are like those on the actual PSAT/NMSQT—but with detailed answers and explanations for every question.

Another good book is Kaplan PSAT NMSQT Premier 2014. It includes:

- 3 full-length practice tests with detailed answer explanations
- A full-length diagnostic test to assess your strengths
- Effective strategies for every section of the PSAT/NMSQT exam
- Additional instruction and tips online
- Mobile version of book

Your best PSAT/NMSQT score boosting strategy is to buy a book like one of these two, plus practice tests and invest the time in taking the tests. Time yourself as you do this, so you develop a strong sense of how to allocate your time. Getting yourself ready to do well on the PSAT/NMSQT is a great investment. A good score can earn you a nice scholarship, plus when you prep for the PSAT/NMSQT, you are also prepping yourself for the SAT as this highly important test uses the same kind of questions.

SAT

The SAT is a globally recognized college admission test that lets you show colleges what you know and how well you can apply that knowledge. It tests your knowledge of reading, writing and math — subjects that are taught every day in high school classrooms. Most students take the SAT during their junior or senior year of high school, and almost all colleges and universities use the SAT to make admission decisions.

Taking the SAT is the first step in finding the right college for you — the place where you can further develop your skills and pursue your passions. But SAT scores are just one of many factors that colleges consider when making their admission decisions. High school grades are also very important. In fact, the combination of high school grades and SAT scores is the best predictor of your academic success in college.

Subject Tests

The SAT doesn't test logic or abstract reasoning. It tests the skills you're learning in school: reading, writing and math. Your knowledge and skills in these subjects are important for success in college and throughout your life.

- The **critical reading** section includes reading passages and sentence completions.
- The **writing** section includes a short essay and multiple-choice questions on identifying errors and improving grammar and usage.
- The **mathematics** section includes questions on arithmetic operations, algebra, geometry, statistics and probability.

SAT Prep

The Official SAT Study Guide with DVD or *The Official SAT Online Course* is available from the College Board website. The study guide includes 10 official practice tests, a bonus test on DVD, math problem-solving videos and more. The online course allows you to get immediate access to personalized interactive, online SAT practice. You can also find the study guide on many of the book websites including Amazon.com and Barnes & Noble.

Another decent book is *Barron's SAT Test Preparation Manual*. It provides a diagnostic test and five full-length practice SATs, all of which reflect the new SAT in length, question types, and degree of difficulty. This manual offers an overview of the SAT and its scoring method, and then present extensive subject reviews in critical reading, grammar and usage, and math. It also offers detailed guidance for preparing and composing the test's required student-written essay. The diagnostic test lets you determine your strengths and weaknesses and devise a personal study plan for success. You can also visit http://barronstestprep.com/sat/ for more information on taking the course online.

ACT

Why take the ACT?

- The ACT is generally accepted for college admission.
- The ACT is curriculum-based. The ACT is not an aptitude or an IQ test. Instead, the questions on the ACT are directly related to what students have learned in high school courses in English, mathematics, and science. Because the ACT tests are based on what is taught in the high school curriculum, students are generally more comfortable with the ACT than they are with traditional aptitude tests or tests with narrower content.
- The ACT is more than a test. The ACT also provides test takers with a unique interest inventory that provides valuable information for career and educational planning and a student profile section that provides a comprehensive profile of a student's work in high school and his or her future plans.

About the ACT

The ACT test assesses high school students' general educational development and their ability to complete college-level work.

- The multiple-choice tests cover four skill areas: English, mathematics, reading, and science.
- The ACT Plus Writing includes the four multiple choice tests and a writing test and is optional.

There are a total of 215 questions to be answered:

English: 75
Math: 60
Reading: 40
Science: 40

The test takes just over 4 hours without the Writing Test, including administration instructions and breaks. Actual testing time is 2 hours and 55 minutes, broken down as follows:
English: 45 minutes
Math: 60 minutes
Reading: 35 minutes
Science: 35 minutes

The ACT Plus Writing Test adds 30 minutes to the testing time and includes 1 prompt.

Across the United States, the ACT is administered on six national test dates: in September, October, December, February, April, and June.

Students may take the ACT no more than 12 times total. Many students take the test twice, once as a junior and again as a senior. There is solid evidence that you are likely to improve your score by retaking it. ACT research shows that of the students who took the ACT more than once:

- 57% increased their composite score on the retest
- 21% had no change in their composite score on the retest
- 22% decreased their composite score on the retest

In short, you are over twice as likely to improve your ACT score by retaking it as to score lower. This suggests the desirability of studying for the ACT and taking practice tests.

ACT Preparation

You can take a free practice ACT online at http://www.actstudent.org/sampletest/index.html.

A good book to study is *The Real ACT Prep Guide*, the only ACT guide actually written by the test makers. It includes 5 practice used in previous test administrations ACTs, provides advice for students who want to ace the new, optional essay test, and reviews essential English, math, reading, and science topics.

Another good book is *Cracking the ACT* by the Princeton Review. In *Cracking the ACT*, you learn how to:

- Use test-taking techniques to raise your score
- Test your knowledge with review questions for each topic covered
- Ace the English Test by learning how to spot errors in sentence structure, grammar, and punctuation
- Turn complex algebra into simple arithmetic
- Score higher on reading comprehension and science reasoning problems by learning to zero in on main ideas, topic sentences, and key words
- Employ preparation strategies to write a strong essay on the ACT Plus Writing Test

This book includes 3 full-length ACT practice exams. All of the practice questions are just like those you'll see on the actual exam, and the book explains how to answer every question.

For the latest in ACT preparation, we also recommend viewing the 2013/2014 handbook: http://media.act.org/documents/preparing.pdf .

Getting the Most from Your Education Dollar Chapter 4

Next to buying a house, paying for a college degree is probably the biggest investment you'll ever make. So, it only makes good sense to be well prepared to do it wisely. This requires financial literacy - a clear understanding of what it takes to soundly manage personal finances. Financial literacy is an essential part of planning and paying for postsecondary education. Everyone needs to understand the options with respect to the vast array of financial products, services and providers in order to make sound financial decisions.

Unfortunately, few students are well prepared for this task. It takes having really mastered the essentials of such topics as budgeting, credit management, saving and investing, financial planning, paying for education beyond high school and managing loan obligations.

Even more troubling is the fact that youths from low - and moderate-income areas lack the knowledge, understanding, skills and habits needed to realize their full potential: to be empowered managers of their personal finances, informed and aware of traps that may impede their earnings, and well-versed in financial services and products that can aid in their success. Growth in financial literacy can help youngsters achieve smarter management of debt, learn how to save and invest, avoid the use of costly services like check cashing and payday lending outlets, and ultimately move from renting to owning homes, while building financial independence.

An excellent source of help is the U.S. government site: MyMoney.gov. This site is an excellent guide to the basics of financial education. You will find valuable information on topics such as - budgeting, credit management, saving and investing, financial planning, paying for education beyond high school and managing loan obligations. On the site you can order a useful free "My Money" Tool Kit package which includes a number of publications on saving, investing, protecting and getting the most for your money. You'll also find links to Web sites that provide information on money management, handling credit and debt, and information on consumer protection.

Avoiding Scholarship Scams

Every year, millions of high school graduates seek creative ways to finance the costs of a college education. With four-year college education costs rising faster than the rate of inflation, many parents are understandably concerned about how to pay those costs without saddling themselves or their children with heavy debt.

Scam artists prey on those concerns. Every year, several hundred thousand students and parents are defrauded by scholarship scams. The victims of these scams lose more than $100 million annually. Scam operations often imitate legitimate government agencies, grant-giving foundations, education lenders and scholarship matching services, using official-sounding names containing words like "National," "Federal," "Foundation," or "Administration."

You need to know how to identify these rip-offs, how to distinguish between legitimate and fraudulent organizations, how to protect yourself from scholarship scams, and what to do if you fall victim to a scam.

In general, be on your guard against offers of scholarships which have an application fee, scholarship matching services who guarantee success, advance-fee loan scams and high-pressure sales pitches disguised as financial aid "seminars".

The FTC cautions students to look for telltale lines:

- "The scholarship is guaranteed or your money back."
- "You can't get this information anywhere else."
- "I just need your credit card or bank account number to hold this scholarship."
- "We'll do all the work."
- "The scholarship will cost some money."
- "You've been selected by a 'national foundation' to receive a scholarship" or "You're a finalist" in a contest you never entered.

The single best piece of advice we can give you is that if you have to pay money to get money, it's almost certainly a scam.

Seven Major Scholarship Scams

According to www.finaid.org fraud takes many forms and this is true of scholarship con games. Seven of the most common kinds are discussed here. If you receive an offer that uses any of these tactics, be on your guard! Some of these scams have been around for years, but people keep falling for them. Sadly, most people even when they discover they've been cheated, fail to file a complaint.

1. **The Vanishing Scholarship:** Many scams ask for money up front, but provide nothing in exchange. Most victims just write it off, thinking that they just didn't win the scholarship.
2. **Scholarships for Profit:** This scam looks just like a real scholarship program, but requires an application fee. The typical scam receives 5,000 to 10,000 applications and charges fees of $5 to $35. They take in hundreds of thousands of dollars, then pay out a couple of $1,000 scholarship and pocket the difference as a huge profit. Some award no scholarships at all. You are more likely to win the lottery than one of these scholarships. No legitimate scholarship program ever requires an application fee.
3. **The Advance-Fee Loan:** This scam promises you a great student loan, one with unusually low-interest. The problem is that to get the educational loan, you must first pay a fee. But guess what? After you pay the money, nothing happens. The promised loan never materializes. Legitimate educational loans may charge a fee, but invariably they deduct the fee from the loan check. Real loan programs never ever require an upfront fee when you submit the application. A good tipoff is that if the loan is not issued by a bank or other recognized lender, it is probably a scam. Show the offer to your local bank manager and ask for their advice.
4. **The Scholarship Prize:** Good news! This scam tells you that you've won a college scholarship worth thousands of dollars. The only catch is that you have to pay a "disbursement" or "redemption" fee or the taxes before they can release your prize. If someone says you've won a prize and you don't remember entering the contest or submitting an application, be suspicious.
5. **The Guaranteed Scholarship:** Watch out for scholarship matching services that guarantee you'll win a scholarship or they'll refund your money. They may simply pocket your money and disappear, or if they do send you a report of matching scholarships, you'll find it extremely difficult to qualify for a refund.
6. **Investment Required for Federal Loans:** Insurance companies and brokerage firms sometimes offer free financial aid seminars that are actually sales pitches for insurance, annuity and investment products. When a sales pitch implies that purchasing such a product is a prerequisite to receiving federal student aid, it violates federal regulations and state insurance laws.
7. **Free Seminar:** You may receive a letter advertising a free financial aid seminar or "interviews" for financial assistance. Sometimes, the seminars do provide some useful information, but more often they are cleverly disguised, very convincing sales pitches for financial aid consulting services. Attending these "free" seminars can be very expensive. You'll end up shelling out money for promised help with maximizing your eligibility for financial aid, dubious investment products, bogus scholarship matching services and overpriced student loans.

Don't Get Cheated

To avoid being victimized by a scholarship scam, follow these seven simple guidelines:

1. If you have to pay money to get money, it's probably a scam.
2. If it sounds too good to be true, it isn't true.
3. Invest the time, not the money.
4. Never invest more than a postage stamp to get information about scholarships.
5. A legitimate scholarship guarantee does not exist.
6. Legitimate scholarship programs never charge application fees.
7. Respect your own intuition. If it sounds fishy, it probably is.

How to Spot a Scholarship Scam

According to www.finaid.org all scholarship scams have certain telltale signs. A single sign does not prove fraud with 100% accuracy. But if an organization exhibits more than one, grab your wallet and run.

1. **Application fees:** Simply walk away from any scholarship which demands an application fee, even a low one like $2 or $3. Forget the bogus claims that the fee is needed to cover administrative expenses or to ensure that only serious candidates apply. Don't let your intense need for financial help sway your thinking or those applicants who do not receive any money "may" be entitled to a refund. Remember, legitimate scholarship sponsors never require an application fee.

2. **Loan fees:** If they ask you to pay an up-front fee to get an educational loan, run. No matter what they call it: an "application fee", "processing fee", "origination fee", "guarantee fee", "default fee" or "insurance fee"; if it has to be paid up front, it's almost certainly a scam. Authentic educational loans always deduct the origination and default fees from the disbursement check. They never ever ask for an upfront fee with the application.
3. **Other fees:** If you must pay to get information about an award, apply for the award or receive the award, toss the offer. The most you should ever spend to get information about scholarships and loans is a postage stamp.
4. **Guaranteed winnings:** No legitimate scholarship sponsor will guarantee you'll win an award. No scholarship matching services can guarantee that you'll win any scholarships either, as they have no control over the decisions made by the scholarship sponsors. Also, when such "guarantees" are made, they often come with hidden conditions that make them hard to redeem or worth less than they seem.
5. **Everybody is eligible:** All legitimate scholarship sponsors are looking for candidates who best match certain criteria. While some do not demand academic merit, athletic prowess or being a minority, but invariably some kind of restrictions apply. No scholarship sponsor hands out money to students just for being alive.
6. **The unclaimed aid myth:** You may be told that millions or billions of dollars of scholarships go unused each year because students don't know where to apply. This is nonsense. In fact, most financial aid programs are highly competitive. No scholarship matching service has ever substantiated this myth with a verifiable list of unclaimed scholarship awards. There are no unclaimed scholarships.

   The most common version of this myth, that "$6.6 billion went unclaimed last year", is based on a 197677 academic year study by the National Institute of Work and Learning. The study estimated that a total of $7 billion was potentially available from employer tuition assistance programs, but that only about $300 million to $400 million was being used. This is a 20 year-old estimate that has never been substantiated. Furthermore, the money in question is not available to the general public, only to certain employees enrolled in eligible programs of study whose employers offer tuition assistance. This money goes unused because it can't be used. Popular variations on this myth include the figures $2.7 billion, $2 billion, $1 billion and $135 million.

7. **We apply on your behalf:** Forget this nonsense. To win a scholarship, you must submit your own applications, write your own essays and solicit your own letters of recommendation. There is simply no way to avoid doing this work for you.
8. **Claims of influence with scholarship sponsors:** Scholarship matching services do not have any control over the awarding of scholarships by third parties.
9. **High success rates:** Overstated claims of effectiveness are a good tipoff to a scam. The sad truth is that less than 1% of students who use fee-based scholarship matching services ever win an award.
10. **Excessive hype:** If the brochure or advertisement uses a lot of hyperbole (e.g., "free money", "win your fair share", "guaranteed", "first come, first served" and "everybody is eligible"), be careful. Also be wary of letters and postcards that talk about "recent additions to our file", "immediate confirmation" and "invitation number".
11. **Unusual requests for personal information:** If the application asks you to disclose bank account numbers, credit card numbers, calling card numbers or social security numbers, you can count on it being a scam. If they call and ask you for personal information to "confirm your eligibility", "verify your identity" or as a "sign of good will", hang up immediately. They can use this information, in conjunction with your date of birth and the names of your parents, to commit identity theft and apply for new credit cards in your name. They can also use the numbers on the bottom of your checks (the bank routing number and the account number) to withdraw money from your bank account using a "demand draft". A demand draft works very much like a check, but does not require your signature.
12. **No telephone number:** Most legitimate scholarship programs include a telephone number for inquiries with their application materials.
13. **Mail drop for a return address:** If the return address is a mail drop (e.g., a box number) or a residential address, it is probably a scam. (To verify whether an address is using a mail drop, use this mail drop search form.)
14. **Masquerading as a federal agency:** If you receive an offer from an organization with an official-sounding name, check whether there really is a federal agency with that name. Don't trust an organization just because it has an official-looking "governmental" seal as its logo or has a prestigious-seeming Washington, DC return address.
15. **Claims of university, government, Chamber of Commerce or Better Business Bureau approval:** Be wary of claims of endorsement and membership, especially if the recommendation is made by an organization with a name similar to that of a well-known private or government group. The federal government, US Department of Education and the US Chamber of Commerce does not endorse or recommend private businesses.

If a financial aid "seminar" is held in a local college classroom or meeting facility, don't assume that it is university sanctioned. Call the school's financial aid office to find out whether it is a university approved or sponsored event.

16. **Suggesting that they are a nonprofit, charitable organization when they are not:** Don't assume from an organization's name that it has a charitable purpose. Although it is illegal in most states to use a misleading business name, enforcement of the law is lax. For example, an organization with "Fund" or "Foundation" in its name is not necessarily a charitable foundation and may even be a for-profit business.
17. **Unsolicited opportunities:** Most scholarship sponsors will only contact you in response to your inquiry. If you've never heard of the organization before, it's probably a scam.
18. **Failure to Substantiate Awards:** If the organization can't prove that its scholarships are actually awarded and disbursed, be cautious.
19. **Typing and spelling errors:** Application materials that contain typing and spelling errors or lack an overall professional appearance may be an indication of a scam.
20. **Time Pressure:** If you must respond quickly and won't hear about the results for several months, it might be a scam. A scholarship scam might say that grants are handed out on a "first come, first served" basis and urge you to act quickly. Few, if any, legitimate scholarship sponsors make awards on a rolling basis. Take the time you need to carefully consider their offer.
21. **Notification by phone:** If you have won a scholarship, you will receive written notification by mail, not by phone.
22. **Disguised advertising:** Don't believe everything you read or hear, especially if you see it online. Unless you personally know the person praising a product or service, don't believe the recommendation. One scam set up its own fake BBB and used it as a reference. Another offered a forged certificate of merit from the local BBB. Yet another distributed a paid advertisement as though it were an article written by the newspaper. A Ponzi scheme gave out a few scholarships initially as "sugar money" to help attract victims.
23. **A newly-formed company:** Most philanthropic foundations have been established for many years. If a company was formed recently, ask for references.
24. **Gives you a runaround or nonspecific information:** Demand concrete answers that directly respond to your questions. If they repeat the same lines again and again, the caller is probably reading a standard pitch from a boilerplate script.
25. **Abusive treatment:** If the caller swears at you or becomes abusive when you ask questions, rejoice. You have just avoided being victimized.
26. **A Florida or California address:** A disproportionate number of scams seem to originate from Florida and California addresses.

For more information, visit the FTC's scholarship scams section, which includes FTC Consumer Alerts about scholarship scams and free grants. For warnings about scholarship matching services, see the Evaluating Scholarship Matching Services and the Information about Scholarship Scams published by the US Department of Education.
If you fall victim to a scholarship scam, file a complaint! To file a complaint or to get free information on consumer issues, visit www.ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357).

Taking the First Step Chapter 5

Before enrolling, make appointments to visit the colleges or career schools you're considering. Bring a list of questions to ask school representatives. Your education is a major investment, so find out as much information as you can before you enroll.

Important Information to Know

Ask about the school's accreditation, licensing, student loan default rate, and campus security:

- Talk to high school counselors, local employers, and your state higher education agency. You can also see if any complaints about the school have been filed with the local Better Business Bureau or the consumer protection division of the state attorney general's office.
- Find out the school's loan default rate (the percentage of students who attended the school, took out federal student loans, and later failed to repay their loans on time). You might not be able to get aid from some programs at a school that has a high default rate.

Find out the school's job placement rates (the percentage of students who are placed in jobs relevant to their courses of study):

- If the school advertises its job placement rates, it must also publish the most recent employment statistics, graduation statistics, and any other information necessary to back up its claims. This information must be available at or before the time you apply for admission to the school. Also, check with local employers to see whether they have hired graduates from the school.

Find out about financial aid at the school:

You have the right to receive the following information from the school:

- The location, hours, and counseling procedures for the school's financial aid office;
- The financial assistance available, including federal, state, local, private, and institutional financial aid programs;
- The procedures and deadlines for submitting applications for each available financial aid program;
- The school's criteria for selecting financial aid recipients;
- The school's process for determining your financial need and the type and amount of assistance in your financial aid package;
- The method and timing of aid payments to you;
- The school's basis for determining whether you're making satisfactory academic progress, and what happens if you're not (whether you continue to receive federal financial aid depends, in part, on whether you make satisfactory academic progress); and
- If you're offered a Federal Work-Study job, the nature of the job, the hours you must work, your duties, the pay, and the method and timing of payment to you.

Find out about the school's refund policy:

- If you enroll but never begin classes, you should get most of your money back. If you begin attending classes but leave before completing your course work, you might be able to get part of your money back.

Find out about the school's return-of-aid policy:

- If you receive federal student aid from any program mentioned in this publication (except for Federal Work-Study), and you withdraw from school, some of that money might have to be returned by you or by your school. Even if you don't finish your course work, you'll have to repay the loan funds you received, less any amount your school has returned to your lender.

Find out the school's completion and transfer-out rates:

- If many students withdraw from a school, it might indicate a problem with the school. A school is required to disclose to current and prospective students the percentage of its students who complete the school's programs and the percentage of students who transfer out of the school.

Make sure you get the information you need and check out all your options as you prepare for education after high school—and don't wait until the last minute to get started! Know what to expect from the schools you're considering and submit your Free Application for Federal Student Aid (FAFSA) early in the award year to see if you qualify for federal student aid.

34 Ways to Reduce College Costs Chapter 6

According to George Jefferson, an Education Specialist with CompleteSchools.com, and his article entitled 34 Ways to Reduce College Costs provides helpful tips to lower your college costs.

1. Most colleges and universities offer merit or non-need-based scholarships to academically talented students. Students should check with each school in which they're interested for the criteria for merit scholarships.
2. The National Merit Scholarship Program awards scholarships to students based upon academic merit. The awards can be applied to any college or university to meet educational expenses at that school.
3. Many states offer scholarship assistance to academically talented students. Students should obtain the eligibility criteria from their state's education office.
4. Many schools offer scholarships to athletically talented students. Parents and students should be careful, however, to weigh the benefits of an athletic scholarship against the demands of this type of award.
5. Some colleges and universities offer special grants or scholarships to students with particular talents. Music, journalism, and drama are a few categories for which these awards are made.
6. A state college or university charges lower fees to state residents. Since public institutions are subsidized by state revenues, their tuition costs tend to be lower than private schools' costs. The college selection process should include consideration of a state school. Although cost should be a consideration, students should not base their choice of a school only on cost.
7. Some students choose to attend a community college for 1 or 2 years, and then transfer to a 4-year school. Tuition costs are substantially lower at community colleges than at 4-year institutions.
8. Some parents may be financially able to purchase a house while their child is in school. If other students rent rooms in the house, the income may offset monthly mortgage payments. Families should make certain, however, that the property they purchase meets all of the requirements of rental property. If you have any questions, consult a tax professional.
9. Commuting is another way for students to reduce college costs. A student living at home can save as much as $6,000 per year.
10. Many schools provide lists of housing opportunities that provide free room and board to students in exchange for a certain number of hours of work each week.
11. Cooperative education programs allow students to alternate between working full time and studying full time. This type of employment program is not based upon financial need, and students can earn as much as $7,000 per year.
12. Another way to reduce college costs is to take fewer credits. Students should find out their school's policy regarding the Advanced Placement Program (APP), the College-Level Examination Program (CLEP), and the Provenience Examination Program (PEP). Under these programs, a student takes an examination in a particular subject and, if the score is high enough, receives college credit.
13. Some colleges give credit for life experiences, thereby reducing the number of credits needed for graduation. Students should check with the college for further information. You can also write to: Distance Education and Training Council at 1601 18th Street, NW, Washington, DC 20009, or call (202) 234-5100.
14. Most schools charge one price for a specific number of credits taken in a semester. If academically possible, students should take the maximum number of credits allowed. This strategy reduces the amount of time needed to graduate.
15. In many cases, summer college courses can be taken at a less expensive school and the credits transferred to the full-time school. Students should check with their academic advisor, however, to be certain that any course taken at another school is transferable.
16. Most schools have placement offices that help students find employment, and all schools have personnel offices that hire students to work on campus. These employment programs are not based upon financial need, and working is an excellent way to meet college expenses.
17. Most colleges and universities offer their employees a tuition reduction plan or tuition waiver program. Under this type of arrangement, the school employee and family members can attend classes at a reduced cost or no cost at all. This type of program is based not upon financial need, but rather on college employment.
18. Most colleges and universities sponsor resident advisor programs that offer financial assistance to students in the form of reduced tuition or reduced room and board costs in exchange for work in resident halls.

19. The Reserve Officers Training Corps (ROTC) Scholarship Program pays all tuition fees, and textbook costs, as well as providing a monthly living stipend. Students should be certain, however, that they want this type of program before signing up because there is a service commitment after graduation.
20. Service Academy Scholarships are offered each year to qualified students to attend the U.S. Military Academy, the U.S. Air Force Academy, the U.S. Naval Academy, the U.S. Merchant Marine Academy, or the U.S. Coast Guard Academy. The scholarships are competitive and are based upon a number of factors, including high school grades, SAT or ACT scores, leadership qualities, and athletic ability. Students receive their undergraduate education at one of the service academies. They pay no tuition or fees, but there is a service commitment after graduation.
21. One of the most obvious ways of reducing college costs is to attend a low-cost school, either public or private. There are many colleges and universities with affordable tuition and generous financial assistance. Students should investigate all schools that meet their academic and financial needs.
22. Some schools offer combined degree programs or 3-year programs that allow students to take all of the courses needed for graduation in 3 years, instead of 4, thereby eliminating a year of educational expenses.
23. Partial tuition remission for the children of alumni is a common practice. Parents and students should investigate their alma mater's tuition discount policy for graduates.
24. Some colleges and universities offer special discounts if more than one child from the same family is enrolled.
25. Some colleges and universities offer discounts to enrolled students if they recruit another student.
26. Some schools offer a tuition discount to student government leaders or to the editors of college newspapers or yearbooks.
27. Some colleges offer bargain tuition rates to older students.
28. Some colleges and universities convert non-federal school loans into non-federal grants if the student remains in school and graduates.
29. Some schools will pay a student's loan origination fees.
30. Some schools offer reduced tuition rates to families if the major wage earner is unemployed.
31. Some colleges and universities have special funds set aside for families who do not qualify for federal or state funding.
32. Some private colleges will match the tuition of out-of-state institutions for certain students. Check with your college to determine whether you qualify for this option.
33. Some companies offer tuition assistance to the children of employees. Parents and students should check with the personnel office for information.
34. Students should try to buy used textbooks.

Looking for Student Aid Chapter 7

The largest source of student aid in the United States comes from the Federal Student Aid (FSA) programs. These programs provide more than $100 billion a year in grants, loans and work-study assistance (more on these programs later in this publication).

When looking for student aid, make sure you look at all available sources including Federal and State.

Should you pay someone to help you find or apply for student financial aid?

The quick answer is: Free help is available, whether you're looking for sources of student aid or completing the Free Application for Federal Student Aid (FAFSA). If there's a fee involved, be sure you know what you're paying for.

Where can you get free information about student aid?

The following sources usually have information about aid from the federal government and your state government; most can tell you about funds from your local community and private sources as well.

- **A college or career school financial aid office:** Talk to the financial aid administrator at the school you plan to attend. Be sure to ask about "institutional aid" – money the school itself awards students. The school's catalog or Web site is also a good source of information about aid available at the school.

- **A local or college library:** Relevant materials are usually listed under "student aid" or "financial aid." If you need help, ask the reference librarian.

- **The Internet:** Search using the key words "student aid" or "financial aid." Remember that many scams operate over the Internet, so if an Internet service charges a fee, research it carefully. Better yet, use one of the many free Internet search services or aid information sites including www.studentaid.ed.gov.

- **A high school counselor's office:** Many counselors have a large selection of materials, know what recent graduates have received, and can guide you to free online information.

The major source of student financial aid is the U.S. Department of Education. The U.S. Department of Education awards about $150 billion a year in grants, work-study funds, and low interest loans to more than 14 million students.

Free materials available in the financial aid office at your college or career school or the guidance office at your high school include the Free Application for Federal Student Aid (FAFSA).

Most federal student aid is awarded based on financial need rather than scholastic achievement. For instance, most grants are targeted to low-income students. However, you do not have to show financial need to receive certain federal student loans.

You may apply for federal student aid at no cost by filing a paper FAFSA or applying electronically with FAFSA on the Web, the online application for federal student aid. All you need for FAFSA on the Web is a computer that supports a Department-approved browser. FAFSA on the Web is at www.fafsa.ed.gov.

Who else awards aid to students?

Student aid may also be available from foundations, community organizations, and organizations related to your field of interest (for example, the American Medical Association or American Bar Association). Contact the organizations directly for detailed information. Check with your parents' employers to see whether they award scholarships or have tuition payment plans. Although funds from these sources make up a small percentage of the total aid awarded each year, it's worth doing the research – you never know what you might find.

Scholarship Search Services

A number of privately operated scholarship search services charge fees that can range from $50 to well over $1000. It is important to understand what information scholarship search services can provide. Some can be helpful in identifying sources of aid for students who meet certain criteria, such as academic achievement, religious affiliation,

ethnic or racial heritage, artistic talents, athletic ability, career plans, or proposed field of study. *However, bear in mind that funds from these sources are usually limited and not all applicants will receive awards.*

Listed below are some of the services you might reasonably expect from a private scholarship search service:

- Most scholarship search services provide a list of sources of financial assistance you may apply for. After studying the list, you then send a separate application to each source that interests you. The scholarship search service does not apply on your behalf or pay any additional application fees that may be required.
- Many search services offer to refund your fee if you do not receive any award. However, some services require you to provide a rejection letter from every source on the list to claim your refund. You should be aware that many scholarship sources do not routinely send rejection letters. Make sure you get the scholarship search service's refund policy in writing before paying any money.

What are some questionable tactics you should watch out for?

- Some services will tell you that millions of dollars in student aid go unclaimed every year. The large figures you may hear or read about usually represent an estimated national total of employee benefits or member benefits. Usually, such benefits are available only to the employees (and their families) of a specific company, or to the members of a specific union or other organization.
- Some claim that you can't get the same information anywhere else. Many services make you pay to get information you could have received for free from a college financial aid office, state education agency, local library, the U.S. Department of Education, or the Internet. Remember that you can find out about student aid without paying a fee to a search service.
- Others request your credit card or bank account number to hold student financial aid for you. Search services do not, in most cases, provide any awards directly to applicants, apply on behalf of applicants, or act as a disbursing agent for financial aid providers. You should never give out a credit card or bank account numbers unless you know the company or organization you are giving it to is legitimate.
- Others try to get you to send them money by claiming that you are a finalist in a scholarship contest. Most sources of financial aid have application deadlines and eligibility criteria; they do not, generally, operate like a sweepstakes.
- Scholarship seminars frequently end with one-on-one meetings in which a salesperson pressures the student to "buy now or lose out on this opportunity." Legitimate services don't use such pressure tactics.

If you choose to disregard this advice and attend a seminar on financial aid or scholarships, at least follow these steps:

- Take your time. Don't be rushed into paying at the seminar. Avoid high-pressure sales pitches that require you to buy now or risk losing out on the opportunity. Solid opportunities are not sold through nerve-racking tactics.
- Investigate the organization you're considering paying for help. Talk to a guidance counselor or financial aid advisor before spending your money. You may be able to get the same help for free.
- Be wary of "success stories" or testimonials of extraordinary success - the seminar operation may have paid "shills" to give glowing stories. Instead, ask for a list of at least three local families who've used the services in the last year. Ask each if they're satisfied with the products and services received.
- Be cautious about purchasing from seminar representatives who are reluctant to answer questions or who give evasive answers to your questions. Legitimate business people are more than willing to give you information about their service.
- Ask how much money is charged for the service, the services that will be performed and the company's refund policy. Get this information in writing. Keep in mind that you may never recoup the money you give to an unscrupulous operator, despite stated refund policies.

Each year, the U.S. Department of Education receives numerous complaints from students and parents who did not receive the information they expected from a search service. The Department does not evaluate private scholarship search services. If you decide to use one of these services, you should check its reputation by contacting the Better Business Bureau (www.bbb.com), a school guidance counselor, or a state attorney general's office.

Additionally, investigate the organization yourself before making a commitment:

- Ask for names of three or four local families who have used its services recently.
- Ask how many students have used the service and how many of them received scholarships as a result.
- Find out about the service's refund policy.
- Get everything in writing.

- Read all the fine print before signing anything.

The Scholarship Fraud Prevention Act created a fraud-awareness partnership between the U.S. Department of Education and the Federal Trade Commission (FTC). For more information about scholarship scams or to report a scam, call the FTC toll free at 1-877-FTC-HELP (1-877-382-4357) or go to http://www.consumer.ftc.gov/articles/0082-scholarship-and-financial-aid-scams.

Most of the information private scholarship search services provide can be obtained for free elsewhere. Before you pay any company or organization to find student financial aid for you, make sure you're not paying for free information. Also make sure you know what you're getting for your money. Searching for student aid on your own can prevent you from wasting your money. You just need to know where to look.

Free Student Aid Information and Sources Chapter 8

Check out these other great resources for federal or non-federal student aid:

- **Financial Aid Administrator**

  Talk to the aid administrator (or his or her staff) at each school you're interested in to find out about the school's aid programs and total cost of attendance.

- **State Higher Education Agency**

  This agency in your home state can give you information about state aid—including aid from the Leveraging Educational Assistance Partnership (LEAP) Program, funded jointly by states and by us.

- **Public Libraries/Internet**

  These are excellent sources of information on state and private forms of aid. When using either source, search using keywords like "financial aid," "student aid," "scholarships," etc.

- **AmeriCorps**

  This program provides full-time educational awards in return for work in community service. You can work before, during, or after your postsecondary education, and you can use the funds either to pay current educational expenses or to repay federal student loans. For more information, call 1-202-606-5000. The TTY number is 1-800-833-3722. Information is also available at http://www.nationalservice.gov/programs/americorps.

- **Robert C. Byrd Honors Scholarship Program (Byrd Program)**

  To receive aid, you must demonstrate outstanding academic achievement and show promise of continued academic excellence. For more information, call their toll-free number: 1-800-4-FED-AID (1-800-433-3243) or visit www.ed.gov/programs/iduesbyrd/index.html.

- **Companies and Labor Unions**

  Check with your parents' places of work. They might have programs to help pay the cost of postsecondary education for employees and their children.

- **Organizations, Foundations, Etc.**

  Foundations, religious organizations, fraternities or sororities, and town or city clubs often offer financial assistance. Include in your search community organizations and civic groups such as the American Legion, YMCA, 4-H Club, Elks, Kiwanis, Jaycees, and the Girl or Boy Scouts. Organizations connected with your field of interest can be helpful—for example, the American Medical Association and the American Bar Association are good sources for students seeking specialization in those fields.

- **U.S. Armed Forces**

  The Armed Forces also offer financial aid opportunities. For more information on recruitment incentives, visit the U.S. Department of Defense Web site at www.todaysmilitary.com. Click on "Benefits" at the top of the site. Then go to "Education Support." You can also contact your local recruiter.

- **U.S. Department of Veterans Affairs**

  If you (or your spouse) are a veteran or you're the dependent of a veteran, veterans' educational benefits may be available. Information is also available through the Internet at www.gibill.va.gov or call 1-888-GIBILL-1 (1-888-442-4551).

- **Internal Revenue Service (IRS)**

  The IRS offers two federal income tax credits (dollar-for-dollar reductions in tax liability) for higher education expenses.

  - The Hope tax credit, worth up to $1,500 per student, is available for first- and second-year students enrolled at least half time.
  - The Lifetime Learning tax credit is a tax benefit equal to 20 percent of a family's tuition expenses, up to $10,000. The credit can be used for virtually any postsecondary education and training, including graduate and professional schools, and even for less-than-half-time study

  For more information on the Hope and Lifetime Learning tax credits, and other tax benefits for postsecondary students, go to www.irs.gov. IRS Publication 970, Tax Benefits for Higher Education, which explains these credits and other tax benefits, is available online. Or, call the IRS at 1-800-829-1040. TTY callers can call 1-800-829-4059.

How to Find Scholarships Chapter 9

Hit the books
Doing research can help you find scholarships you may not have otherwise known about. Most public and campus libraries carry scholarship guides. Ask your librarian or guidance counselor for help. Also do a Google search for "financial aid," "student aid," and "scholarships."

Check with the colleges you're applying to
Most college-sponsored scholarships don't require additional applications beyond their standard admission and financial aid applications. Just be sure to complete and file the applications on time!

Some colleges offer special scholarships (for certain major fields or for certain talents) that you can apply for in addition to any that are open to all applicants.

Ask employers
Your parents might already be aware if scholarships are provided for children of employees. If not, the human resource department is usually the place to check to find out what is available. The staff there should be able to provide applications, deadlines, and any other information you'll need.

If you are employed, check with your employer to see if scholarships are available. Be sure to get any application forms and information about deadlines and complete the process on time.

Check local scholarships
Many community organizations, churches, and clubs offer scholarships. Your high school guidance counselor should be able to provide information about most of them, and can refer you to sponsors who can provide applications and information.

Search the Net
Using keywords like those mentioned earlier, you can find a wealth of free scholarship information on the World Wide Web. Some sites even allow you to apply online for scholarships. But, be careful . . .

What Does It Take to Get a Scholarship?
Many students assume that they have to be brilliant, or athletically talented, or gifted musically, to earn a scholarship for college. What they don't realize is that sometimes they just need to be persistent!

Be persistent in getting good grades. Many schools award scholarships to students with significant financial need in the accepted applicant group — a grant that you don't need to repay, just for making the cut and getting admitted.

Good grades won't hurt if you hope to get a scholarship, even if your family doesn't demonstrate financial need. When scholarships are awarded on the basis of academic merit, without regard for need, students who have worked hard and achieved results in high school will be the winners.

You should also be persistent in seeking out other scholarship sources. Sometimes all it takes to get a scholarship is to find out who in your area is offering them: your church, your employer, your parents' employers, local civic organizations. You'll just need to fill out any required applications or interviews on time in order to be considered.

How Do You Apply for a Scholarship?
The most important thing to do to apply for scholarships is to get accurate information up front:

- What are the qualifications for applicants?
- Where do you get forms and how do you apply (online, by mail, etc.)?
- Are additional interviews or references required?
- What are the deadlines?

Once you have the information in hand, you can make a chart of what's due and when (use the Scholarship Checklist below) and then, follow through. Taking small steps throughout the process will help ensure you will meet all the requirements on time. Then, you get to sit back while the sponsors make their decisions.

Remember, most scholarship funding comes directly from the colleges themselves, so focus on making your college applications as strong as possible.

Scholarship Checklist

Institutional Scholarships

- Special application forms required?
- Interview required?
- Application deadline?

Special Talent Scholarships

- Art, Music, Theater
  - Special application forms required?
  - Interview, audition, or portfolio required?
  - Application deadline?
- Athletics
  - Special application forms required?
  - Interview, highlight tape required?
  - Application deadline?
- Leadership
  - Special application forms required?
  - Interview required?
  - Application deadline?
- Science/Engineering
  - Special application forms required?
  - Interview required?
  - Application deadline?
- Other_____
  - Special application forms required?
  - Interview required?
  - Application deadline?

Employer-Sponsored Scholarships

- Parents' Employer(s)
  - Special application forms required?
  - Interview required?
  - Application deadline?
- Student's Employer
  - Special application forms required?
  - Interview required?
  - Application deadline?

Local/Community Scholarships

- Organization_____
  - Special application forms required?
  - Interview required?
  - Application deadline?
- Organization_____
  - Special application forms required?
  - Interview required?
  - Application deadline?

Information for Borrowers Chapter 10

When you take out a student loan, you have certain responsibilities. Here are some important ones:

Think about How Much You're Borrowing

Think about what your repayment obligation means before you take out a loan. If you don't repay your loan on time or according to the terms in your promissory note, you might go into default, which has serious consequences and will affect your credit rating. You don't have to borrow the maximum amount you're allowed. Borrow only what you really need to pay for school.

Agree to Repay the Loan

When you sign a promissory note, you're agreeing to repay the loan according to the terms of the note. The note states that except in cases of loan discharge (cancellation), you must repay the loan, even if you don't complete your education (unless you couldn't for a valid reason—because the school closed, for example). Also, you must repay your loan even if you can't get a job after you complete the program, or you don't like the education you paid for.

Make Payments Regardless of Receiving Billing Notices

You must make payments on your loan even if you don't receive a bill or repayment notice. Billing statements (or coupon books) are sent to you as a convenience, but you're obligated to make payments even if you don't receive any reminders. Also, you must make monthly payments in the full amount your repayment plan has established. Partial payments do not fulfill your obligation.

Continue to Pay While Waiting for Deferment, Forbearance or Discharge Approval

If you apply for a deferment or forbearance or a loan discharge, you must continue to make payments until you're notified your request has been granted. If you don't, you might end up in default. You should keep a copy of any request form you submit, and make sure you document all contacts with the organization that holds your loan.

Keep in Touch with Your Loan Provider

You must notify your loan provider when you graduate; withdraw from school; drop below half-time status; change your name, address, or Social Security number; or transfer to another school.

Receive Entrance and Exit Counseling

For Direct or FFEL Stafford Loans, you must receive entrance counseling before you're given your first loan disbursement, unless you've previously received a Stafford Loan. No matter what type of federal student loan you have, you must receive exit counseling before you leave school. Your school will provide the counseling and important information about your loan. Your lender will give you additional information.

What You Must Know

You have certain rights as a borrower. Listed below are some of them.

Before the First Loan Disbursement

Before your school makes your first loan disbursement, you must receive the following information about your loan from your school, lender, or the Direct Loan Servicing Center:

- the full amount of the loan and the interest rate;
- the date you must start repayment;
- a complete list of any charges you must pay (loan fees) and information on how those charges are collected;
- information about the yearly and total amounts you can borrow;
- information about the maximum repayment periods and the minimum payment amount;
- an explanation of default and its consequences; and
- an explanation of available options for consolidating your loans and a statement that you can prepay your loan(s) without penalty at any time.

Before You Leave School

Before you leave school, you will receive the following information about your loan (as part of exit counseling) from your school, lender, or the Direct Loan Servicing Center:

- a current description of your loans, including average anticipated monthly payments;
- the amount of your total debt (principal and estimated interest), your interest rate, and the total interest charges on your loan;
- if you have FFEL (Federal) Stafford Loans, the name of the lender or agency that holds your loans, where to send your payments, and where to write or call if you have questions;
- if you have Direct Stafford Loans, the address and telephone number of the Direct Loan Servicing Center ;
- an explanation of the fees you might be charged during the repayment period, such as late charges and collection or litigation costs if you're delinquent or in default;
- a reminder of available options for loan consolidation and a reminder that you can prepay your loan without penalty at any time;
- a description of applicable deferment, forbearance, and discharge (cancellation) provisions;
- repayment options and advice about debt management that will help you in making your payments; and
- notification that you must provide your expected permanent address and the name and address of your expected employer. You must also provide any corrections to your school's records concerning your name, Social Security number, references, and driver's license number (if you have one).

Grace Period

You have the right to a grace period before your repayment period begins. (Your parents do not receive a grace period for a PLUS Loan.) Your grace period will be six or nine months depending on the type of loan you have.

Loan Repayment Schedule

Your school, lender, or the Direct Loan Servicing Center, as appropriate, must give you a loan repayment schedule that states when your first payment is due, the number and frequency of payments, and the amount of each payment.

Sale of Loan

If you or your parents borrow under the FFEL Program, you (or your parents, for a PLUS Loan) must be notified when the loan is sold if the sale results in making payments to a new lender or agency. You must be given the identity of the new lender or agency holding the loan, the address to which you must make payments, and the telephone numbers of both the old and new lenders.

Federal Student Aid Chapter 11

The Federal Student Aid Gateway

One of the best new sources of information is the Federal Student Aid Gateway. This online source provides free information, guidance and tools for federal student assistance. Sponsored by the U.S. Department of Education's office of Federal Student Aid, the site can make your quest for financial aid information easier. To access the Federal Student Aid Gateway, visit the U.S. Department of Education's Web site at:
http://studentaid.ed.gov/redirects/federal-student-aid-ed-gov

Who can get federal student aid?

Eligibility for federal student aid is based on financial need and on several other factors. Your eligibility is determined by the information you provide on the Free Application for Federal Student Aid (FAFSA) — see later section in this guide.

Here are the basic requirements you must meet:

- demonstrate financial need (for most programs);
- be a U.S. citizen or an eligible noncitizen;
- have a valid Social Security number (with the exception of students from the Republic of the Marshall Islands, Federated States of Micronesia, or the Republic of Palau);
- be registered with Selective Service, if you're a male (you must register between the ages of 18 and 25);
- be enrolled or accepted for enrollment as a regular student in an eligible degree or certificate program;
- be enrolled at least half-time to be eligible for Direct Loan Program funds;
- maintain satisfactory academic progress in college or career school;
- sign statements on the Free Application for Federal Student Aid (FAFSA℠) stating that
    - you are not in default on a federal student loan and do not owe money on a federal student grant and
    - you will use federal student aid only for educational purposes; and
- show you're qualified to obtain a college or career school education by
    - having a high school diploma or a recognized equivalent such as a General Educational Development (GED) certificate or
    - completing a high school education in a homeschool setting approved under state law.

You might not be able to receive federal student aid if you've been convicted under federal or state law of selling or possessing illegal drugs. If you have a conviction for these offenses, contact the Federal Student Aid Information Center to find out your status. Even if you're ineligible for federal aid, you should still complete the federal student aid application (the FAFSA): Many schools and states use the FAFSA to determine eligibility for aid they offer.

If you have a question about your citizenship status, contact the financial aid office at the college or career school you plan to attend.

What about the financial need requirement?

Aid from most programs is awarded based on financial need (except for unsubsidized Stafford Loans and PLUS Loans).

Your financial need is calculated according to a formula established by law. Most use an Expected Family Contribution (EFC) number when your need is determined. The EFC is a measure of your family's financial strength and is calculated from the information you report on the Free Application for Federal Student Aid (FAFSA). Your EFC will appear on your Student Aid Report (SAR) you receive.

To be eligible for a Federal Pell Grant, your EFC must be below a certain number, which can vary from year to year. To determine your financial need for other federal student aid programs (unless you receive an unsubsidized Stafford Loan), your school will subtract from your cost of attendance the following: the EFC, any Federal Pell Grant amount

you're eligible for, and other financial aid you'll receive. If anything is left over, you're considered to have financial need for additional federal student aid.

How much aid you can get?

Because the Expected Family Contribution formula must be applied to each family's financial information, we can't tell you here whether you'll be eligible for federal student aid or estimate how much aid you might get. That's why you need to apply to find out. For more information about your eligibility status after you get your application results, contact the financial aid office(s) at the school(s) you're considering.

Special circumstances in determining financial need

In some cases, a school's financial aid administrator might adjust your cost of attendance or the information used to calculate your EFC to take into account special circumstances you might have. These circumstances could include your family's unusual medical expenses, tuition expenses, or unemployment. The aid administrator decides whether to make an adjustment, however; his or her decision is final and cannot be appealed.

Federal Student Aid Summary

The following is a summary of the U.S. Department of Education's Federal Student Aid (FSA) programs that will help you pay for school. Check with your school to find out which programs your school participates in.

Federal Student Aid Program	Types of Aid	Program Details	Annual Award Amounts
Federal Pell Grant	Grant: does not have to be repaid	Available to undergraduates. All eligible students will receive the Federal Pell Grant amounts for which they qualify.	Maximum award for 2014-15 school year: $5,730
Federal Supplemental Educational Opportunity Grant (FSEOG)	Grant: does not have to be repaid	For undergraduates with exceptional financial need; priority is given to Federal Pell Grant recipients; funds depend on availability at school	$100 to $4,000
Federal Work-Study	Undergraduates and graduates can earn while attending college.	Jobs can be on campus or off campus. Students will earn at least the current federal minimum wage.	No annual maximum
Federal Perkins Loan	Loan: must be repaid	5% interest on loans for both undergraduate and graduate students. Payment is owed to the school that made the loan.	$5,500 maximum for undergraduate students; $8,000 maximum for graduate students
Subsidized Direct Stafford Loan	Loan: must be repaid	Subsidized: U.S. Department of Education pays interest while borrower is in school and during grace and deferment periods.	Between $3,500 to $8,500 depending on grade level
Unsubsidized Direct Stafford Loan	Loan: must be repaid	Unsubsidized: The borrower is responsible for interest during life of the loan.	$5,500 to $20,500 depending on grade level (includes any subsidized amounts, received for the same period)
Federal PLUS Loan	Loan: must be repaid	Available to parents of dependent undergraduate students.	Maximum amount is **cost of attendance** minus any other financial aid.
Teach Grant	Grant: does not have to be repaid unless the service obligation is not met	For students who wish to become teachers	Up to $4000 per year

Iraq and Afghanistan Service Grants	Grant: does not have to be repaid. Must be under 24 years of age and enrolled in college at least part-time at the time of the parent's or guardian's death	A program for students who are eligible for Pell Grants but whose parent or guardian was a member of the U.S. Armed Forces and died as a result of a service performed in Iraq or Afghanistan after September 11, 2001.	Equal to the amount of the maximum Federal Pell Grant for the award year; not to exceed the cost of attendance for that award year.

Applying for Federal Student Aid Chapter 12

How do you apply?
Complete the Free Application for Federal Student Aid (FAFSA). Applying is FREE.

All you need for federal student aid is an application, referred to as the FAFSA. You might have to complete an additional application to be considered for school or state aid, but many schools and states use FAFSA information for this purpose.

Can you apply online?
Yes; in fact, it's faster and easier than using a paper FAFSA. You can complete our online application, FAFSA on the Web, from your home computer or from a computer at a central location like your high school, your local public library, or your local educational opportunity center. Go to www.fafsa.ed.gov to apply.

What if you decide you want a paper application?
You can get a paper FAFSA—in English or Spanish—from your local library or high school, the college or career school you plan to attend, or our Federal Student Aid Information Center.

Just mail your FAFSA in the pre-addressed envelope that's in your FAFSA packet. Or, before mailing it, you could check to see if your school, or a school that interests you, offers the option of submitting your FAFSA data electronically.

When do you apply?
You can apply beginning Jan. 1 of your senior year in high school.

You can apply online at: https://fafsa.ed.gov/FAFSA/app/fafsa?locale=en_US or ask your school for more information.

What do you need before you fill out the Free Application for Federal Student Aid (FAFSA)?

- **You need to have a Social Security Number (SSN)**

  Your SSN is used to verify your information and locate your federal student aid records. If you don't have an SSN yet, you should apply for one at your local Social Security office. You can find out more about applying at www.ssa.gov.

- **It's not a requirement, but you should have a PIN**

  If you use our online FAFSA on the Web to apply for aid, having a PIN (a personal identification number) before you apply lets you "sign" your FAFSA electronically at the time you submit it. That way, the student aid process can be completed quickly and totally online, and you'll get your results faster.

  You request a PIN at www.pin.ed.gov. Don't wait until you apply to request a PIN. You can get one anytime. You'll receive your PIN either through regular mail or e-mail, if you provide your e-mail address.

  Even if you fill out a paper FAFSA, you should still request a PIN because you can use it to:

  - Look up your processed FAFSA data online;
  - Make online corrections to your application information;
  - Complete your Renewal FAFSA online; and
  - Access all your applicant data records online. For example, you can check your student loan history.

- **You'll need to have the right documents and information to complete your FAFSA accurately**

  Because aid awards are based on financial need, you'll need to report certain financial information on the FAFSA. For example, if you're considered dependent on your parents—see "Dependency Status" below—

you'll need your parents' W-2 forms and other records of money earned, as well as their U.S. income tax returns. You'll need your own forms as well. Referring to the tax forms while you complete the FAFSA makes it easier to answer the questions. The FAFSA requires specific information from specific lines on the U.S. d

You can list up to six schools on your FAFSA. Those schools will receive your FAFSA results electronically. If you later want to make changes to that list, you can do so online using your PIN or you can contact the Federal Student Aid Information Center.

Financial Aid Application Process Summary

STEP 1

Get a PIN, an electronic access code number. With a PIN, you can apply and "sign" your FAFSA online, and you'll get your results faster. Also, you can make corrections to your application information and more – all online. Go to www.pin.ed.gov.

STEP 2

Collect the documents needed to apply, including income tax returns, W-2 forms, and other records of income. Tax return not completed at the time you apply? Estimate the tax information, apply, and correct information

STEP 3

Complete the FREE Application for Federal Student Aid (FAFSA) BUT, apply as soon as possible after Jan. 1 to meet school and state aid deadline (see Step 4). Apply online–faster and easier–by going to **www.fafsa.ed.gov.**

STEP 4

If required, complete nonfederal aid applications for private scholarships or other state and school aid. Know your school and state deadlines.

STEP 5

Review your Student Aid Report (SAR) – the result of your FAFSA application. If necessary, make changes or corrections and resubmit your SAR for reprocessing. Your complete, correct SAR will contain your Expected Family Contribution (EFC) – the number used to determine your federal student aid eligibility.

STEP 6

If your school needs to verify your application information, you must submit tax returns and other documents, as appropriate, to your school's financial aid office.

STEP 7

Make sure the financial aid office staff at each school you're interested in has all the information needed to determine your eligibility.

STEP 8

If eligible for aid, review award letters from schools to compare amounts and types of aid.

Dependency Status Chapter 13

When you apply for federal student aid, you report certain financial information to determine your financial need. Financial need affects whether you receive most types of federal student aid and—if you're eligible—how much you'll receive. You'll need to know whose financial information to report on your application—yours or yours and your parents' information.

Note: Your answers to the questions in Step 3 of the FAFSA (or in Step 2 of the online FAFSA, FAFSA on the Web) determine whether you're considered a "dependent" or an "independent" student.

- **Dependent students** must report their parents' income and assets as well as their own on the FAFSA. Programs are based on the concept that a dependent student's parents have the primary responsibility for their child's education.
- **Independent students** report only their own income and assets (and those of a spouse, if married). Note that not living with your parents or not being claimed by them on the tax form does not necessarily qualify you as independent.

Although you may not be applying for federal student aid in the academic year, let's assume you are. For the 2012-13 academic year, you would be considered an independent student ONLY IF at least one of the following criteria applied to you:

- You were born before January 1, 1989.
- You are or will be enrolled in a master's or doctorate program (beyond a bachelor's degree) at the beginning of the 2013-2014 school year.
- You're married as of the day you apply (or, you're separated but not divorced).
- You have children who receive more than half their support from you.
- You have dependents (other than your children or spouse) who live with you and who receive more than half their support from you, at the time you apply and through June 30, 2014.
- Both of your parents are deceased, or you are (since you turned 13) a ward or dependent of the court.
- You are currently serving on active duty in the U.S. Armed Forces for purposes other than training.
- You're a veteran of the U.S. Armed Forces. (A "veteran" includes students who attended a U.S. service academy and who were released under a condition other than dishonorable. For more detail on who is considered a veteran, see the explanatory notes on the FAFSA.)
- It been determined by a court in your state of legal residence that you are an emancipated minor or that you are in a legal guardianship.
- At any time on or after July 1, 2011, were you determined to be an unaccompanied youth who was homeless, as determined by (a) your high school or district homeless liaison or (b) the director of an emergency shelter or transitional housing program funded by the U.S. Department of Housing and Urban Development?**
- At any time on or after July 1, 2011, did the director of a runaway or homeless youth basic center or transitional living program determine that you were an unaccompanied youth who was homeless or were self-supporting and at risk of being homeless?**

**If you do not have a determination that you are homeless, but you believe you are an unaccompanied youth who is homeless or self-supporting and at risk of being homeless, answer "No" to the FAFSA questions concerning being homeless. Then contact your financial aid office to explain your situation.

If you're considered a dependent student at the time you apply, but your parents are divorced or separated, whose information would you report on the FAFSA?

You report information about the parent you lived with for the greater amount of time during the 12 months preceding the date of application. If you didn't live with either parent, or if you lived with each parent an equal number of days, you would use information about the parent who provided the greater amount of financial support during the 12 months preceding the date of application. If you didn't receive any parental financial support during that time, you must report information about the parent who most recently provided the greater amount of parental support.

If the parent you receive financial support from was a single parent who is now married, or the parent was divorced or widowed but has remarried, your stepparent's financial information is required on the FAFSA. This does not mean your

stepparent is obligated to give financial assistance to you, but his or her income and assets represent significant information about the family's resources. Including this information on the FAFSA helps us form an accurate picture of your family's total financial strength.

When it's time to apply, you'll be considered a dependent student, but you have no contact with your parents. What do you do about reporting their income?

In unusual cases, an aid administrator can determine that a student who doesn't meet the independent student criteria above should nevertheless be treated as an independent student. The financial aid administrator can change your dependency status from dependent to independent based on adequate documentation of your special circumstances. You must provide this documentation. But, the aid administrator won't automatically change your status. That decision is based on the aid administrator's judgment and is final — you can't appeal that decision.

The Student Aid Report (SAR) Chapter 14

After you apply, you'll get the results of your Free Application for Federal Student Aid (FAFSA). Your results are contained in a document called the *Student Aid Report (SAR)*. If you provided an e-mail address when you applied, you'll get an e-mail (within a few days) containing a secure link so you can access your SAR online. If you didn't provide an e-mail address, it will take a few weeks to receive a paper SAR.

What do you do with your SAR?

Review it carefully to make sure it's correct and complete: If it is, and your SAR contains your Expected Family Contribution (EFC) the schools you're interested in will use your SAR to determine your eligibility for federal, and possibly nonfederal, student aid funds.

If you need to make corrections:

- you can use your PIN to make them online at the FAFSA Web site, even if you didn't apply online, or
- you can usually make changes to a paper SAR, if that's what you received. Then, sign it, and mail it back. Make sure you keep a photocopy of your SAR containing the corrections. Note that correcting a paper SAR is a slower process than making corrections online.

If you misplace your SAR, you can request a duplicate by calling the Federal Student Aid Information Center.

Once your SAR is correct and complete, how do you find out if you're eligible and what aid you'll receive?

Contact the financial aid offices of the school(s) you're interested in. If you're eligible for federal student aid, each school will send you an award letter telling you the types of aid it will offer, and how much you can receive. This combination of aid is known as your "financial aid package." Review the award letters carefully and compare how much aid you can receive at each school.

Types of Federal Student Aid Chapter 15

There are three types of federal student aid:

- **Grants** are financial aid that doesn't have to be repaid (unless, for example, you withdraw from school and owe a refund).
- **Work-study** allows you to earn money for your education.
- **Loans** allow you to borrow money for school. You must repay your loans, with interest.

You apply for all three types of aid by filling out just one application: the Free Application for Federal Student Aid (FAFSA).

Grants

- There are two types of grants: Federal Pell Grants and Federal Supplemental Educational Opportunity Grants (FSEOGs).
- Generally, to receive a grant, you must be an undergraduate student (someone who hasn't earned a bachelor's or graduate degree).
- You can be enrolled full time or part time.

How much can you get?

Federal Pell Grants

Award amounts can change yearly. The maximum Pell Grant award for the 2014-15 award year (July 1, 2014 to June 30, 2015) is $5,730. The amount you get, though, will depend not only on your financial need, but also on your costs to attend school, your status as a full-time or part-time student, and your plans to attend school for a full academic year or less.

Federal Supplemental Educational Opportunity Grants (FSEOGs)

Awards range from $100 to $4,000 a year. FSEOGs are awarded to undergraduate students with exceptional financial need—those with the lowest Expected Family Contribution (EFC) numbers. Federal Pell Grant recipients receive priority for FSEOG awards.

What's the difference between these grants?

If you're eligible for a Federal Pell Grant, you'll receive the full amount you qualify for—each school participating in the program receives enough funds to pay the Pell amounts for all its eligible students. The amount of other student aid you might qualify for does not affect the amount of your Pell Grant.

Receiving other aid might reduce the amount of your FSEOG award. Also, each school participating in the FSEOG program receives a certain amount of FSEOG funds each year from the U.S. Department of Education. The school's financial aid office decides how best to award those funds. When all FSEOG funds are used for that award year, no more FSEOG awards can be made for that year—that's why not everyone who qualifies for an FSEOG might get one.

How will you be paid?

Your school can credit your grant funds to your school account, pay you directly (usually by check), or combine these methods. Also, with your permission, schools can credit your bank account. Schools must disburse funds at least once per term (semester, trimester, or quarter). Schools that don't use formally defined, traditional terms must disburse funds at least twice per academic year.

Federal Work-Study

- Provides part-time jobs allowing you to earn money to help pay for school;
- Encourages community service work and work related to your course of study,
- whenever possible;

- Is available to undergraduate and graduate students; and
- Is available to full-time and part-time students.

How much can you make?

You'll be paid at least the minimum wage, but you might receive more, depending on the type of work you do. You'll be paid by the hour or you might receive a salary. Your school must pay you directly at least once a month.

Can you work as many hours as you want?

No. The amount you earn can't exceed your total Federal Work-Study award. Also, when assigning work hours, your employer or financial aid administrator will consider your class schedule and your academic progress. Just as is true with the FSEOG program mentioned earlier, each school participating in the Federal Work-Study program receives a certain amount of Work-Study funds each year from the U.S. Department of Education. When all Work-Study funds are used for that award year, no more Federal Work-Study awards can be made for that year. So, you might receive fewer funds than you qualify for.

Where are the jobs located?

You can work either on or off campus. If you work on campus, you'll usually work for your school. If you work off campus, your employer will usually be a private nonprofit organization or a public agency, and the work performed must be in the public interest.

Your school might have agreements with private for-profit employers for Federal Work-Study jobs. If so, your job must be as relevant as possible to your course of study. If you attend a career school, there might be further restrictions on the jobs you can be assigned.

Loans

- Loans are borrowed money you must repay, with interest.
- Both undergraduate and graduate students can receive loans.
- For some loans, you don't have to demonstrate financial need.
- The amounts you can borrow depend in part on your grade level in school.

Federal Perkins Loans

These loans are offered to students who demonstrate the greatest financial need; Federal Pell Grant recipients get top priority. You can be enrolled full time or part time. Each school participating in the program receives a certain amount of Perkins funds each year from the U.S. Department of Education. When all those funds are used for that award year, no more Perkins Loans can be made for that year. You repay these loans to your school.

Stafford Loans

These loans are for undergraduate or graduate and professional students and are made through one of two U.S. Department of Education programs:

- **William D. Ford Federal Direct Student Loan Program** — referred to as Direct Loans or Direct Stafford Loans. Funds for Direct Loans come from the U.S. Department of Education and are delivered to you through your school. You repay these loans to the Department.
- **Federal Family Education Loan (FFEL) Program** — referred to as FFEL Stafford Loans or Federal Stafford Loans. Funds will come from a bank, credit union, or other lender that participates in the program. You repay these loans to your lender or its servicing agent.

Whether you borrow a Direct or a FFEL Stafford Loan depends on which program the school you attend participates in. Most schools participate in one or the other, although some schools participate in both. It's possible for you to receive FFEL and Direct Stafford Loans, but not both types for the same period of enrollment at the same school.

For both types of Stafford Loans, you must be enrolled at least half time. You don't have to demonstrate financial need but, if you do, the government will pay the interest on your loan during certain periods.

PLUS Loans

These are loans parents can take out for their dependent undergraduate children who are enrolled as at least half-time students. The loans are made through the Direct Loan and FFEL programs mentioned above and are known either as Direct PLUS Loans or FFEL (or Federal) PLUS Loans.

What are the differences in these loan programs?
See the chart below for a quick comparison.

Student Loan Comparison Chart

Student Loan Comparison Chart - 2013						
Program	**Stafford, Unsubsidized (Federal Aid program)**	**SallieMae Smart Option**	**No Interest Payment Plan administered by SallieMae**	**USAHS - TFC Payment Plan, Resident-Fellowship Administration Fee**	**USAHS - TFC Payment Plan, degree programs**	**USAHS - TFC Payment Plan for Post Professional Degree Programs**
Eligibility	Degree seeking Graduate students must be enrolled at least half time	No restrictions such as: Degree seeking student, no credit hour limitation, foreign eligibly with US co-signer	No restrictions such as: Degree seeking student, no credit hour limitation, foreign eligibly with US co-signer - Certified from USAHS for eligibility	Admitted in the Residency or Fellowship program	Degree seeking student, per term basis	Degree seeking student
Annual Max Loan Amount	$20,500 to COA	to COA	Tuition only	Resident-Fellowship Administration Fee only	up to Tuition only, after other funded resources	Tuition only
Disbursement Fee	1.0%	No	No	No	No	No
Application Fee	No	No	$55	No	No	No
Credit requirement	No	Income required, shows ability to pay while in school. Co-borrowers can be requested for release after Graduation and 12 consecutives on time payments	No	No, Complete application	Declined from Smart Option program with co-signer, Complete application	No, Complete application
Payment requirement while in School	No	Deferred payment, $25 monthly or Interest only payment options	4, 8 or 12 equal monthly payments based on loan amount	Fully amortization payment, Maximum loan size $3,000.	$50-75 while in school, fully amortization upon withdrawal from USAHS. Limited to 4 during course of studies.	Fully amortization payment, Maximum loan size $5,000. Limited to 2 during course of studies.
Interest rate	Subject to change annually, 6.8%	Depends on your credit score, Variable Program is libor plus 2.5% to 9.375%. Fixed Program is Can be reduced by 2% after Graduation and upon 24 consecutive on time payments. Plus additional .25% if auto debited from bank account	No Interest	12% Interest, subject to change annually	12% Interest, Subject to change annually	12% Interest, Subject to change annually
Amortization period	10 year standard, w/ post graduation options up to 25 years	10 year standard, w/ post graduation options up to 15 years	4, 8 or 12 equal monthly payments based on loan amount	No longer than anticipated Graduation date	7 year Maximum	5 year Maximum
Eligible for Tuition/Fees	Yes	Yes	Yes	Resident-Fellowship Administration Fee only	Yes	Yes
Eligible for Cost of Living expenses	Yes	Yes	No	No	No	No
Can loan be consolidated	Yes, with other Federal education loans	No	No	No	Only with other USA -TFC payment plans and only before Graduation	No
Deferment Eligibility	Yes, while in school	No	No	No	No	No
Forbearance eligibility	After grace period, depends on circumstance	No	No	No	No	No
Grace period	6 month - 1 lifetime	6 month	N/A	No	6 months	No

How do you apply for a Perkins or Stafford Loan?
You just need to complete the Free Application for Federal Student Aid (FAFSA). But, you will need to sign a promissory note, a binding legal document that says you agree to repay your loan according to the terms of the note. Read this note carefully and save it.

How much money can you get?

- Perkins Loans — See the chart above.
- FFEL or Direct Stafford Loans — See the chart below.

Note: You can't borrow more than your cost of attendance minus the amount of any Federal Pell Grant you're eligible for and minus any other financial aid you'll get. So, you might receive less than the annual maximum amounts given in the chart. Note that there are no minimum award amounts.

When you look at the chart, you'll see that your loan limits also depend on whether you receive "subsidized" or "unsubsidized" Stafford Loans.

Subsidized Stafford Loan

If you demonstrate financial need, you can receive a subsidized Stafford Loan to cover some or all of that need. If you get a subsidized loan, the U.S. Department of Education pays the interest while you're enrolled in school at least half time, for the first six months after you leave school, and during a period of deferment—a postponement of loan payments.

The amount of your subsidized loan can't exceed your financial need.

Unsubsidized Stafford Loan

You might be able to receive loan funds beyond your subsidized loan limit or even if you don't have demonstrated financial need. In that case, you'd receive an unsubsidized loan. For this type of Stafford Loan, you're responsible for the interest from the time the loan is disbursed to you until it's paid in full. The government does not pay your interest.

Talk with the school(s) you're interested in to find out what kind of Stafford Loan you can get and how much you qualify for.

How will you get your loan funds?

- **Perkins** — Your school will either pay you directly (usually by check) or credit your account. Generally, you'll receive the loan in at least two payments during the academic year.

- **Stafford** — Your school will disburse your loan in at least two installments; no installment will be greater than half the amount of your loan. If you're a first-year undergraduate student and a first-time borrower, your first disbursement can't be made until 30 days after the first day of your enrollment period.

Your Perkins or Stafford Loan money must first be used to pay for your tuition, fees, and room and board. If loan funds remain, you'll receive them by check or in cash, unless you give the school written permission to hold the funds until later in the enrollment period.

How much can I borrow?

Your school determines the loan type(s), if any, and the actual loan amount you are eligible to receive each academic year. However, there are limits on the amount in subsidized and unsubsidized loans that you may be eligible to receive each academic year (annual loan limits) and the total amounts that you may borrow for undergraduate and graduate study (aggregate loan limits). The actual loan amount you are eligible to receive each academic year may be less than the annual loan limit. These limits vary depending on what year you are in school and whether you are a dependent or independent student.

If you are a dependent student whose parents are ineligible for a Direct PLUS Loan, you may be able to receive additional Direct Unsubsidized Loan funds.

If the total loan amount you receive over the course of your education reaches the aggregate loan limit, you are not eligible to receive additional loans. However, if you repay some of your loans to bring your outstanding loan debt below the aggregate loan limit, you could then borrow again, up to the amount of your remaining eligibility under the aggregate loan limit.

The following chart shows the annual and aggregate limits for subsidized and unsubsidized loans.

Maximum Annual Loan Limits for Subsidized and Unsubsidized Direct and FFEL (Federal) Stafford Loans

Year	Dependent Students (except students whose parents are unable to obtain PLUS Loans)	Independent Students (and dependent undergraduate students whose parents are unable to obtain PLUS Loans)
First-Year Undergraduate Annual Loan Limit	$5,500—No more than $3,500 of this amount may be in subsidized loans.	$9,500—No more than $3,500 of this amount may be in subsidized loans.

Second-Year Undergraduate Annual Loan Limit	$6,500—No more than $4,500 of this amount may be in subsidized loans.	$10,500—No more than $4,500 of this amount may be in subsidized loans.
Third-Year and Beyond Undergraduate Annual Loan Limit	$7,500—No more than $5,500 of this amount may be in subsidized loans.	$12,500—No more than $5,500 of this amount may be in subsidized loans.
Graduate or Professional Students Annual Loan Limit	Not Applicable (all graduate and professional students are considered independent)	$20,500 (unsubsidized only)
Subsidized and Unsubsidized Aggregate Loan Limit	$31,000—No more than $23,000 of this amount may be in subsidized loans.	$57,500 for undergraduates—No more than $23,000 of this amount may be in subsidized loans. $138,500 for graduate or professional students—No more than $65,500 of this amount may be in subsidized loans. The graduate aggregate limit includes all federal loans received for undergraduate study.

Notes:

- The aggregate loan limits include any Subsidized Federal Stafford Loans or Unsubsidized Federal Stafford Loans you may have previously received under the ***Federal Family Education Loan (FFEL) Program***. As a result of legislation that took effect July 1, 2010, no further loans are being made under the ***FFEL Program***.
- Effective for periods of enrollment beginning on or after July 1, 2012, graduate and professional students are no longer eligible to receive Direct Subsidized Loans. The $65,500 subsidized aggregate loan limit for graduate or professional students includes subsidized loans that a graduate or professional student may have received for periods of enrollment that began before July 1, 2012, or for prior undergraduate study.

Graduate and professional students enrolled in certain health profession programs may receive additional Direct Unsubsidized Loan amounts each academic year beyond those shown above. For these students, there is also a higher aggregate limit on Direct Unsubsidized Loans. If you are enrolled in a health profession program, talk to the ***financial aid office*** at your school for information about annual and aggregate limits.

What are the current interest rates?

Here are the interest rates for loans first disbursed between July 1, 2013, and June 30, 2014.

	Undergraduate Students	**Graduate Students**
Direct Subsidized Loans	3.86%	N/A
Direct Unsubsidized Loans	3.86%	5.41%

Got other questions about interest?

- Prior federal loans and financial aid history—If you already have federal student loans and would like to check the ***interest rate***, servicer information, and other financial aid history, go to the National Student Loan Data System.
- Understanding interest rates and fees: Find out how interest is calculated.

- Information for military members: If you are a member of the military, you may be eligible for special interest benefits relating to your federal student loans.

Other than interest, is there any charge associated with these loans?

- **Federal Perkins Loans** — No. However, if you skip a payment, if your payment is late, or is you make less than a full payment, you might have to pay a late charge plus any collection costs.
- **Direct and FFEL Stafford Loans** — Yes, there is a 1.051% loan fee on all Direct Subsidized Loans and Direct Unsubsidized Loans. The loan fee will be proportionately deducted from each loan disbursement.

What additional steps must I take to receive my loan?

If your financial aid package includes federal student loans, your school will tell you how to accept the loan. If it is your first time receiving a Direct Loan, you will be required to:

- complete entrance counseling, a tool to ensure you understand your obligation to repay the loan; and
- sign a Master Promissory Note (MPN), agreeing to the terms of the loan.

Contact the financial aid office at the school you are planning to attend for details regarding the process for receiving a loan at your school.

When do you start repaying your loans?

After you graduate, leave school, or drop below half-time status, you must begin repayment. You have a period of time, however, called a grace period, before you must start making payments.

- **Federal Perkins Loans** — If you are attending school at least half-time, you have nine months after you graduate, leave school, or drop below half-time status before you must begin repayment. If you are attending less than half-time, check with your college or career school to find out how long your grace period will be.
- **Direct or FFEL (Federal) Stafford Loans** — When you receive your first Direct Loan, you will be contacted by your loan servicer (you repay your loan to the loan servicer). Your loan servicer will provide regular updates on the status of your Direct Loan, and any additional Direct Loans that you receive. After you graduate, leave school, or drop below half-time enrollment, you will have a six-month grace period before you are required to begin repayment. During this period, you'll receive repayment information from your loan servicer, and you'll be notified of your first payment due date. Payments are usually due monthly.

How much time do you have to repay?

- **Federal Perkins Loans** — Up to 10 years
- **Direct and FFEL Stafford Loans** — Your repayment period varies from 10 to 25 years depending on whether the loan is a FFEL or a Direct Stafford Loan and depending on which repayment plan you choose. When it comes time to repay, you can pick the plan that's right for you.

Choices of Repayment Plan

The choices are:

Repayment Plan	Eligible Loans	Monthly Payment and Time Frame	Quick Comparison
Standard Repayment Plan	• Direct Subsidized and Unsubsidized Loans • Subsidized and Unsubsidized Federal Stafford Loans • all PLUS loans	Payments are a fixed amount of at least $50 per month. Up to 10 years	You'll pay less ***interest*** for your loan over time under this plan than you would under other plans.

Graduated Repayment Plan	• Direct Subsidized and Unsubsidized Loans • Subsidized and Unsubsidized Federal Stafford Loans • all PLUS loans	Payments are lower at first and then increase, usually every two years. Up to 10 years	You'll pay more for your loan over time than under the 10-year standard plan.
Extended Repayment Plan	• Direct Subsidized and Unsubsidized Loans • Subsidized and Unsubsidized Federal Stafford Loans • all PLUS loans	Payments may be fixed or graduated. Up to 25 years	• Your monthly payments would be lower than the 10-year standard plan. • If you are a • ○ Direct Loan borrower, you must have more than $30,000 in outstanding Direct Loans. ○ FFEL borrower, you must have more than $30,000 in outstanding FFEL Program loans. • For example, if you have $35,000 in outstanding FFEL Program loans, and $10,000 in Direct Loans, you can use the extended repayment plan for your FFEL Program loans, but not for your Direct Loans. • For both programs, you must also be a***new borrower*** as of Oct. 7, 1998. • You'll pay more for your loan over time than under the 10-year standard plan.

Income-Based Repayment Plan (IBR)	• Direct Subsidized and Unsubsidized Loans • Subsidized and Unsubsidized Federal Stafford Loans • all PLUS loans made to students • *Consolidation* Loans (Direct or FFEL) that do not include Direct or FFEL PLUS loans made to parents	• Your maximum monthly payments will be 15 percent of ***discretionary income***, the difference between your adjusted gross income and 150 percent of the poverty guideline for your family size and state of residence (other conditions apply). • Your payments change as your income changes. Up to 25 years	• You must have a ***partial financial hardship***. • Your monthly payments will be lower than payments under the 10-year standard plan. • You'll pay more for your loan over time than you would under the 10-year standard plan. • If you have not repaid your loan in full after making the equivalent of 25 years of qualifying monthly payments, any outstanding balance on your loan will be forgiven. • You may have to pay income tax on any amount that is forgiven.
Pay As You Earn Repayment Plan	• Direct Subsidized and Unsubsidized Loans • Direct PLUS loans made to students • Direct Consolidation Loans that do not include (Direct or FFEL) PLUS loans made to parents	• Your maximum monthly payments will be 10 percent of discretionary income, the difference between your adjusted gross income and 150 percent of the poverty guideline for your family size and state of residence (other conditions apply). • Your payments change as your income changes. Up to 20 years	• You must be a new borrower on or after Oct. 1, 2007, and must have received a disbursement of a Direct Loan on or after Oct. 1, 2011. • You must have a partial financial hardship. • Your monthly payments will be lower than payments under the 10-year standard plan. • You'll pay more for your loan over time than you would under the 10-year standard plan. • If you have not repaid your loan in full after you made the equivalent of 20 years of qualifying monthly payments, any outstanding balance on your loan will be forgiven. • You may have to pay income tax on any amount that is forgiven.

Income-Contingent Repayment Plan	• Direct Subsidized and Unsubsidized Loans • Direct PLUS Loans made to students • Direct Consolidation Loans	• Payments are calculated each year and are based on your adjusted gross income, family size, and the total amount of your Direct Loans. • Your payments change as your income changes. Up to 25 years	• You'll pay more for your loan over time than under the 10-year standard plan. • If you do not repay your loan after making the equivalent of 25 years of qualifying monthly payments, the unpaid portion will be forgiven. • You may have to pay income tax on the amount that is forgiven.
Income-Sensitive Repayment Plan	• Subsidized and Unsubsidized Federal Stafford Loans • FFEL PLUS Loans • FFEL Consolidation Loans	• Your monthly payment is based on annual income. • Your payments change as your income changes. Up to 10 years	• You'll pay more for your loan over time than you would under the 10-year standard plan. • Each ***lender***'s formula for determining the monthly payment amount under this plan can vary.

You'll get more information about repayment choices before you leave school and, later, from the holder of your loan.

What if you have trouble repaying your loan?

Under certain circumstances, you can receive a deferment or forbearance on your loan.

- **Deferment:** Your payments are postponed. Interest does not accumulate unless you have an unsubsidized Stafford Loan. If you have an unsubsidized Stafford Loan, you must pay the interest. You must meet specific conditions to qualify for a deferment. For example, you can receive a deferment while you're enrolled in school at least half time. You'll receive more information before you leave your college or career school, and you'll also get information from the holder of your loan.
- **Forbearance**: Your payments are postponed or reduced. Interest continues to accumulate, however, and you are responsible for paying it, no matter what kind of loan you have. Your lender usually grants forbearance if you don't qualify for a deferment.

Deferment and forbearance periods don't count toward the amount of time you have to repay.

You must apply to the holder of your loan for either deferment or forbearance. Note that you must continue to make payments until you're notified your request has been granted. If you don't, you might end up in default.

What is default?

Default occurs when you don't repay your loan according to the terms you agreed to when you signed the promissory note for your loan. Defaulting on a student loan has very serious consequences. Listed below are some of them:

- You'll be ineligible for additional federal student aid.
- You'll be ineligible for deferment or forbearance on your loan.
- Your credit record will be damaged, which can interfere with buying what you need, like a car.
- You might have trouble getting a job.
- Legal action can be taken against you to recover what you owe.

The last thing you want to do is default! If you ever have trouble making payments, contact the holder of your loan right away to discuss options to help you out.

Are there any situations where your loan could be canceled?

Your loan can be canceled for certain specific circumstances, such as your death or total and permanent disability. You also might qualify to have your loan canceled because of the work you do once you leave school (teaching in a low-

income school, for example). You'll receive more information on cancellation provisions before you leave your college or career school.

Note that your loans can't be canceled because you're having financial problems. Also, they can't be canceled because you didn't complete the program of study at your school (unless you couldn't complete the program for a valid reason —because the school closed, for example). Cancellation is not possible because you didn't like your school or program of study, or you didn't obtain employment after you finished your program.

PLUS Loans

What are PLUS Loans?

PLUS loans are federal loans that graduate or professional degree students and parents of dependent undergraduate students can use to help pay education expenses. The U.S. Department of Education makes Direct PLUS Loans to eligible borrowers through schools participating in the Direct Loan Program.

How do I apply to get a loan?

In order to receive a Direct PLUS loan, you (or your child, in the case of parent borrowers) must complete the Free Application for Federal Student Aid (FAFSA℠). The school's financial aid office will provide instructions about their process for requesting a Direct PLUS Loan.

To receive a Direct PLUS Loan, you must

- Be a graduate or professional degree student enrolled at least half-time at an eligible school in a program leading to a degree or certificate, or be the parent (biological, adoptive, or in some cases, stepparent) of a dependent undergraduate student enrolled at least half-time at a participating school; and
- Meet the general eligibility requirements for federal student aid. If you are borrowing on behalf of your child, your child must also meet these requirements.

How will I receive my loan?

The school will first apply Direct PLUS Loan funds to the school account to pay for tuition, fees, room and board, and other school charges. If any loan funds remain, your school will give them to you to help pay other education expenses.

When do I have to start paying the loan back?

Your Direct PLUS Loan enters repayment once your loan is fully disbursed (paid out).

However, if you are a graduate or professional student, your loan will be placed into *deferment* while you are enrolled at least half-time and for an additional six months after you cease to be enrolled at least half-time.

If you are a parent borrower, you may contact your loan servicer to request a deferment:

- while you or your child are enrolled at least half-time and
- for an additional six months after your child ceases to be enrolled at least half-time.

If your loan is deferred, interest will accrue on the loan during the deferment. You may choose to pay the accrued interest or allow the interest to capitalize when the deferment period ends. Your loan servicer will notify you when your first payment is due.

Loan Repayment Chapter 16

This section will give you basic information on loan repayment. For specific information, contact the holder of your loan.

When do you start paying back your student loans?

If you're attending school at least half time, you have a period of time after you graduate, leave school, or drop below half-time status before you must begin repayment. This period of time is called a "grace period".

- **Federal Perkins Loans**: the grace period is nine months (If you're attending less than half time, check with your financial aid administrator to determine your grace period.)
- **Direct Stafford Loans or Federal Family Education Loan (FFEL) Stafford Loans**: the grace period is six months
- **Subsidized loan**: during the grace period, you don't have to pay any principal, and you won't be charged interest.
- **Unsubsidized loan**: you don't have to pay any principal, but you will be charged interest. You can either pay the interest as you go along or it will be capitalized (added to the principal loan balance) later.

Those on active duty with the military might have longer grace periods than those mentioned here and will have additional options to postpone repayment. Contact the holder of the loan for more information.

Your lender will send you information about repayment, and you'll be notified of the date repayment begins. However, you're responsible for beginning repayment on time, even if you don't receive this information. Failing to make payments on your loan can lead to default.

When do I or my parents begin repaying a PLUS Loan?

Your Direct PLUS Loan enters repayment once your loan is fully disbursed (paid out).

However, if you are a graduate or professional student, your loan will be placed into *deferment* while you are enrolled at least half-time and for an additional six months after you cease to be enrolled at least half-time.

If you are a parent borrower, you may contact your loan servicer to request a deferment:

- while you or your child are enrolled at least half-time and
- for an additional six months after your child ceases to be enrolled at least half-time.

If your loan is deferred, interest will accrue on the loan during the deferment. You may choose to pay the accrued interest or allow the interest to capitalize when the deferment period ends. Your loan servicer will notify you when your first payment is due.

How much will you have to repay and how often do you repay?

Usually, you'll pay monthly. Your repayment amount will depend on the size of your debt and the length of your repayment period. If you have a FFEL or Direct Stafford Loan, the amount you'll pay also depends on the repayment plan you choose. Federal Perkins Loans do not have different repayment plans.

Perkins Loans

- You'll make payments to the school that made you the loan.
- You'll have up to 10 years to repay your loan.

The table below shows typical monthly payments and total interest charges for three different 5-percent loans over a 10-year period.

Examples of Typical Perkins Loan Repayments

Total Loan Amount	Number of Payments	Approximate Monthly Payment	Total Interest Charges	Total Repaid

$4,000	120	$42.43	$1,091.01	$5,091.01
$5,000	120	$53.03	$1,364.03	$6,364.03
$15,000	120	$159.10	$4,091.73	$19,091.73

Direct and FFEL Stafford Loans

- **Direct Loan** — You'll make payments to us (the U.S. Department of Education) through our Direct Loan Servicing Center. Direct Loan borrowers can view and pay their bills online, using their PIN, through the Servicing Center Web site: https://www.myedaccount.com/
- **FFEL Stafford Loan** — You'll repay the private lender that made you the loan or the lender's servicing agent.

The repayment periods for Stafford Loans vary from 10 to 25 years depending on whether the loan is a FFEL or a Direct Stafford Loan and depending on which repayment plan you choose. When it comes time to repay, you can pick a repayment plan that's right for you:

- A 10-year Standard Plan with a minimum monthly payment of $50;
- An Extended Plan that allows you to repay your loan over a longer period;
- A Graduated Plan with a monthly payment that starts out low and then increases gradually during the repayment period; or
- A plan that bases the monthly payment amount on how much money you make. Under FFEL, this plan is called the Income-Sensitive Repayment Plan; under Direct, the plan is called the Income-Contingent Repayment Plan. The terms of these plans vary slightly.

You'll get more information about repayment choices before you leave school and, later, from the holder of your loan. You can also get more details about these repayment plans from Repaying Your Student Loans.

Repayment Plans

Examples of typical Direct and FFEL Stafford Loan and PLUS Loan repayment plans, by initial amount of debt and type of repayment plan

Initial debt when you enter repayment	Repayment plans									
	Standard (not to exceed 10 years)		Extended		Graduated (not to exceed 10 years)		Income Contingent (income = $25,000) for Direct Loans only			
							Single		Married/HOH	
	Per month	Total repaid	Per month	Total repaid	Per month	Total repaid	Per month	Total repaid	Per month	Total repaid
$ 3,500	$ 50	$ 4,471	Not available for this loan amount		$ 25	$ 5,157	$ 27	$ 6,092	$ 25	$ 6,405
5,000	58	6,905	Not available for this loan amount		40	7,278	38	8,703	36	9,150
7,500	83	10,357	Not available for this loan amount		59	10,919	57	13,055	54	13,725
10,500	121	14,500	Not available for this loan amount		83	15,283	80	18,277	76	19,215
15,000	173	20,714	Not available for this loan amount		119	21,834	114	26,110	108	27,451
40,000	460	55,239	$ 277	$ 83,289	316	58,229	253	72,717	197	84,352

Note: **Interest rate:** payments are calculated using the fixed interest rate of 6.8%.
Graduated repayment plan: an estimated monthly repayment amount for the first two years of the term and total loan payment. The monthly repayment amount will generally increase every two years, based on this plan.
Income-Contingent Repayment plan: assumes a 5% annual growth (Census Bureau) and calculated using the formula requirements in effect during 2006.
HOH is head of household: assumes a family size of two.

How do I or my parents pay back their PLUS Loan?

When you receive your Direct PLUS Loan, you will be contacted by your loan servicer. Your loan servicer will provide regular updates on the status of your Direct PLUS Loan and will provide you with information on how and when to repay your loan. Find more information about your loan servicer.

Are there any tax incentives available for paying back student loans?

Yes, for certain higher education expenses, including a deduction for student loan interest for certain borrowers. This benefit applies to all loans used to pay for postsecondary education costs, including PLUS Loans. The maximum deduction is $2,500 a year. IRS Publication 970, Tax Benefits for Higher Education, explains these credits and other tax benefits. You can find out more at www.irs.gov or by calling the IRS at 1-800-829-1040. TTY callers can call 1-800-829-4059.

Deferment and Forbearance (Postponing Loan Repayment) Chapter 17

Under certain circumstances, you can receive periods of deferment or forbearance that allow you to postpone loan repayment. These periods don't count toward the length of time you have to repay your loan. You can't get a deferment or forbearance for a loan in default.

Deferment

A deferment is a period of time during which no payments are required and interest does not accrue (accumulate), unless you have an unsubsidized Stafford Loan. In that case, you must pay the interest.

How do you qualify for a deferment?

The most typical loan deferment conditions are enrollment in school at least half time, inability to find full-time employment (for up to three years), and economic hardship (for up to three years). Other deferment conditions are loan specific.

Can I or my parents defer repayment of their PLUS Loan?

Yes, as long as the loan isn't in default. Generally, the same deferment provisions that apply to Stafford Loans apply to PLUS Loans. Because PLUS Loans are unsubsidized, however, you or your parents will be charged interest during periods of deferment. If they don't pay the interest as it accrues, it will be capitalized making the principal go up in the long run.

Forbearance

If you temporarily can't meet your repayment schedule but you don't meet the requirements for a deferment, your lender might grant you forbearance. During forbearance, your loan payments are postponed or reduced. Interest continues to accrue (accumulate), however, and you are responsible for paying it, no matter what kind of loan you have.

Generally, you can receive forbearance for periods of up to 12 months. You'll have to provide documentation to the holder of your loan to show why you should be granted forbearance.

You or your parents might also receive forbearance on their PLUS loan.

Applying for Deferment or Forbearance

Receiving deferment or forbearance is not automatic. You or your parents must apply for it.

- Federal Perkins Loan—contact the school that made you the loan or the school's servicing agent.
- Direct Loans (includes Direct PLUS Loans)—contact the Direct Loan Servicing Center.
- FFEL Loans (includes FFEL PLUS Loans)—contact the lender or agency holding the loan.

Loan Discharge (Cancellation) Chapter 18

Is it ever possible to have a federal student loan discharged (canceled)?
Yes, but only under specific circumstances and as long as you're not in default on the loan. A discharge releases you from all obligations to repay the loan.

What qualifies my loan for discharge?

Two examples are your death or your total and permanent disability. Also, your loan might be discharged because of the type of work you do: teaching in a designated low-income school, for example.

Other cancellations are loan specific. For a complete list of cancellation provisions for Perkins Loans and Stafford Loans, contact the holder of your loan.

Your loan can't be canceled because you didn't complete the program of study at your school (unless you couldn't complete the program for a valid reason—because the school closed, for example). Also, cancellation isn't possible because you didn't like the school or program of study, or you didn't obtain employment afterwards.

Can I or my parents ever have their PLUS Loan discharged?
Generally, if a cancellation condition applies to you, your parents can have their FFEL or Direct PLUS Loan discharged.

For more information, if you or your parents have a Direct PLUS Loan, you or your parents should contact the Direct Loan Servicing Center at 1-800-848-0979, or they can go to https://www.myedaccount.com/. If you or your parents have a FFEL PLUS Loan, they should contact the lender or agency holding the loan.

How do you find out if you can get a discharge?
After reviewing the cancellation conditions, if you think you qualify, you must apply to the holder of your loan.

- **Federal Perkins Loans**: check with the school that made you the loan or with the school's servicing agent.
- **Direct Stafford Loans**: contact the Direct Loan Servicing Center.
- **FFEL Stafford Loans**: contact your lender or its servicing agent.

Loan Consolidation Chapter 19

What is loan consolidation?
You can consolidate (combine) multiple federal student loans with various repayment schedules into one loan called a Direct Consolidation Loan. Then, you can make just one monthly repayment.

With a direct consolidation loan, your payments might be significantly lower, and you can take a longer time to repay (up to 30 years). Also, you might pay a lower interest rate than you would on one or more of your existing loans.

Private education loans are not eligible for consolidation. If you are in default, you must meet certain requirements before you can consolidate your loans.

A PLUS loan made to the parent of a dependent student cannot be transferred to the student through consolidation. Therefore, a student who is applying for loan consolidation cannot include the PLUS loan the parent took out for the dependent student's education.

For a complete list of the federal student loans eligible for consolidation, contact the Direct Loan Consolidation Center by calling 1-800-557-7392 or go to www.loanconsolidation.ed.gov. TTY users may call 1-800-557-7395.

What kinds of loans can be consolidated?
Most federal student loans, including the following, are eligible for consolidation:

- Direct Subsidized Loans
- Direct Unsubsidized Loans
- Subsidized Federal Stafford Loans
- Unsubsidized Federal Stafford Loans
- Direct PLUS Loans
- PLUS loans from the Federal Family Education Loan (FFEL) Program
- Supplemental Loans for Students (SLS)
- Federal Perkins Loans
- Federal Nursing Loans
- Health Education Assistance Loans
- Some existing consolidation loans

When can you consolidate your loans?
Generally, you are eligible to consolidate after you graduate, leave school, or drop below half-time enrollment.

How do you get a consolidation loan?
You must have at least one Direct Loan or FFEL Program loan that is in a grace period or in repayment.

- If you want to consolidate a defaulted loan, you must either make satisfactory repayment arrangements on the loan with your current loan servicer before you consolidate, or you must agree to repay your new Direct Consolidation Loan under the Income-Contingent Repayment Plan or the Income-Based Repayment Plan.
- Generally, you cannot consolidate an existing consolidation loan again unless you include an additional Direct Loan or FFEL Program loan in the consolidation. However, under certain circumstances you may reconsolidate an existing FFEL Consolidation Loan without including any additional loans. For additional details, go to www.loanconsolidation.ed.gov.

There are no application fees for a Direct Consolidation Loan, and you may prepay your loan at any time without penalty.

What's the interest rate on a consolidation loan?
A Direct Consolidation Loan has a fixed interest rate for the life of the loan. The fixed rate is based on the weighted average of the interest rates on the loans being consolidated, rounded up to the nearest one-eighth of 1%. However, the rate will not exceed 8.25%.

Are there any disadvantages to getting a consolidation loan?

Yes, there could be. For example, consolidation significantly increases the total cost of repaying your loans. Because you can have a longer period of time to repay, you'll pay more interest. In fact, consolidation can double total interest expense. So, compare the cost of repaying your unconsolidated loans with the cost of repaying a consolidation loan.

Where can you get more information on consolidation loans?

You'll be given more information about loan consolidation during entrance and exit counseling sessions you'll receive from your school. You can also contact the holder of your loans. For additional details, go to www.loanconsolidation.ed.gov.

U.S. Armed Forces Chapter 20

Military Options

1. You can attend one of the military academies. These are four year colleges that are tuition free and offer bachelor's degrees and a commission in the military after graduation
2. Enroll in Reserve Officer Training Corps (ROTC), which will pay for your tuition, fees and books and provide you with a monthly allowance.
3. Join the Armed Forces before you go to college and take advantage of Tuition Assistance and the Montgomery GI Bill, which provides financial support to those who attend school after serving in the military.

You should contact your local military recruiter for more information on these programs.

ROTC

Leadership, Extracurricular and Athletic Activities

ROTC Scholarship winners are usually well-rounded, active students with good grades and above average potential. More than half of them have held an office either in one of their classes or the student body. Most are National Honor Society members, and a few are editors of school publications. Many are members of clubs (at school or private organizations), and others are varsity letter winners and varsity team captains. As you can see, they look for achievers with broad interests, leadership ability, and a demonstrated willingness to take on challenges and overcome them.

Army ROTC

The Army ROTC provides college-trained officers for the Army, Army Reserve and Army National Guard. The Army ROTC program is offered at more than 600 colleges and universities throughout the nation. As the largest single source of Army officers, the ROTC program fulfills a vital role in providing mature young men and women for leadership and management positions in an increasingly technical Army. For more information visit College Army ROTC or call 1-800-USA-ROTC (1-800-872-7682).

Naval Reserve Officers Training Corps (NROTC)

The NROTC Program was established to educate and train qualified young men and women for service as commissioned officers in the unrestricted line Naval Reserve or Marine Corps Reserve. As the largest single source of Navy and Marine Corps officers, the NROTC Scholarship Program plays an important role in preparing mature young men and women for leadership and management positions in an increasingly technical Navy and Marine Corps.
For program requirements and scholarship information visit http://www.nrotc.navy.mil/faq.aspx or call 1-800-NAV-ROTC (1-800-628-7682).

U.S. Air Force ROTC

Air Force ROTC is a college program offered at over 1,000 colleges and universities across the U.S. that prepares you to become an Air Force officer. It means the opportunity to get the money you need for college, making the most out of your college experience and your life, and the chance to earn a college degree while working toward becoming an officer in the United States Air Force. For program requirements visit http://www.afrotc.com/learn-about/programs/ or call 1-866-4-AFROTC (1-866-423-7862).

ROTC Profile

The following data gives an average leadership, extracurricular and athletic activities profile for a scholarship winner for recent school years:

President of student bodies of senior class	6%
Other class officers	39%
National Honor Society members	59%
Varsity letter winners	79%
Varsity team captains	54%
Junior ROTC participants	27%
Club presidents	18%

Rank in Class/College Board Scores

Most ROTC scholarship winners fall in the top 25% of their class. Most score between 920-1600 on the SAT and 19-35 on the ACT. In recent years, the average SAT was 1242 and 28 ACT.

The APFT will be given to all scholarship winners when they enroll in college in the fall. Scholarship benefits will not begin until you have successfully passed the APFT. This fitness test consists of repetitive push-ups and sit-ups and a two-mile run.

- A male between 17 and 21 years old should arrive at college able to do 42 push-ups, a female 18 push-ups.
- A male needs to be able to do 52 sit-ups and a female 50 sit-ups.
- A good time for the two mile run for a male would be 16 minutes and for a female 19 minutes.
- Good physical conditioning is critical and prior physical conditioning and muscle toning is essential.

State Higher Education Agencies Chapter 21

These agencies provide information on state education programs, colleges and universities, student aid assistance programs, grants, scholarships, continuing education programs, career opportunities, and some guaranty agencies.

State	Telephone Number	State	Telephone Number
Alabama	1-334-242-1998	New Mexico	1-800-279-9777
Alaska	1-800-441-2962	New York	1-888-697-4372
Arizona	1-602-258-2435	North Carolina	1-919-549-8614
Arkansas	1-501-371-2000	North Dakota	1-701-328-4114
California	1-888-224-7268	Ohio	1-888-833-1133
Colorado	1-303-866-2723	Oklahoma	1-800-858-1840
Connecticut	1-800-842-0229	Oregon	1-800-452-8807
Delaware	1-800-292-7935	Pennsylvania	1-800-692-7392
District of Columbia	1-877-485-6751	Rhode Island	1-800-922-9855
Florida	1-850-410-5200	South Carolina	1-803-737-2260
Georgia	1-800-505-4732	South Dakota	1-605-773-3455
Hawaii	1-808-956-8213	Tennessee	1-800-342-1663
Idaho	1-208-334-2270	Texas	1-800-242-3062
Illinois	1-800-899-4722	Utah	1-800-418-8757
Indiana	1-317-232-2350	Vermont	1-800-642-3177
Iowa	1-800-383-4222	Virginia	1-804-225-2600
Kansas	1-785-296-3421	Washington	1-360-753-7800
Kentucky	1-800-928-8926	West Virginia	1-888-825-5707
Louisiana	1-800-259-5626	Wisconsin	1-608-267-2206
Maine	1-800-228-3734	Wyoming	1-307-777-7763
Maryland	1-410-260-4565		
Massachusetts	1-617-994-6950	Puerto Rico	1-787-724-7100
Michigan	1-877-323-2287	Virgin Islands	1-340-774-4656
Minnesota	1-800-657-3866		
Mississippi	1-601-432-6997	NOTE: The following numbers link to colleges, as there are no state higher education agencies in these areas.	
Missouri	1-800-473-6757		
Montana	1-800-537-7508	American Samoa	1-684-699-1141
Nebraska	1-402-471-2847	Guam	1-671-475-0457
Nevada	1-702-486-7330	Northern Mariana Islands	1-670-234-3690
New Hampshire	1-603-271-2555	Republic of the Marshall Islands	1-692-625-5770
New Jersey	1-800-792-8670	Republic of Palau	1-866-329-7673

For a listing of the complete contact information for each State Higher Education Agency, visit: http://wdcrobcolp01.ed.gov/Programs/EROD/org_list.cfm?category_ID=SHE.

Important Federal Aid Terms Chapter 22

Academic Year	This is the amount of the academic work you must complete each year as defined by your school. For example, your school's academic year may be made up of a fall and spring semester during which a full-time undergraduate student must complete at least 24 semester hours, usually called credits or credit hours. Academic years change from school to school and even from educational program to educational program at the same school. For purposes of the Teacher Loan Forgiveness Program, an academic year is defined as one complete school year at the same school, or two complete and consecutive half years at different schools, or two complete and consecutive half years from different school years (at either the same school or different schools). Half years exclude summer sessions and generally fall within a 12-month period. For schools that have a year-round program of instruction, 9 months is considered an academic year.
Cost of Attendance (COA)	The total amount it will cost you to go to school—usually stated as a yearly figure. COA includes tuition and fees; on-campus room and board (or a housing and food allowance for off-campus students); and allowances for books, supplies, transportation, loan fees, and dependent care. It also includes miscellaneous and personal expenses, including an allowance for the rental or purchase of a personal computer; costs related to a disability; and reasonable costs for eligible study-abroad programs. For students attending less than half-time, the COA includes tuition and fees and an allowance for books, supplies, transportation, and dependent care expenses, and can also include room and board for up to three semesters or the equivalent at the institution. But no more than two of those semesters, or the equivalent, may be consecutive. Contact the financial aid administrator at the school you're planning to attend if you have any unusual expenses that might affect your COA.
Default	Failure to repay a loan according to the terms agreed to when you signed a promissory note. For the FFEL and Direct Loan programs, default is more specific—it occurs if you fail to make a payment for 270 days if you repay monthly (or 330 days if your payments are due less frequently). The consequences of default are severe. Your school, the lender or agency that holds your loan, the state, and the federal government may all take action to recover the money, including notifying national credit bureaus of your default. This affects your credit rating for a long time. For example, you might find it very difficult to borrow money from a bank to buy a car or a house. In addition, the Internal Revenue Service can withhold your U.S. individual income tax refund and apply it to the amount you owe, or the agency holding your loan might ask your employer to deduct payments from your paycheck. Also, you're liable for loan collection expenses. If you return to school, you're not entitled to receive additional federal student aid. Legal action also might be taken against you. In many cases, default can be avoided by submitting a request for a deferment, forbearance, or discharge (cancellation) and by providing the required documentation.

Eligible Noncitizen	You must be one of the following to receive federal student aid: · U.S. citizen · U.S. national (includes natives of American Samoa or Swain's Island) · U.S. permanent resident who has an I-151, I-551, or I-551C (Alien Registration Receipt Card) If you're not in one of these categories, you must be an eligible noncitizen, and you must have an Arrival-Departure Record (I-94) from U.S. Citizenship and Immigration Services (USCIS) showing one of the following designations: · "Refugee" · "Asylum Granted" · "Cuban-Haitian Entrant, (Status Pending)" · "Conditional Entrant" (valid only if issued before April 1, 1980) · Victims of human trafficking, T-visa (T-2, T-3, or T-4, etc.) holder · "Parollee" (You must be paroled into the United States for at least one year, and you must be able to provide evidence from the USCIS that you are in the United States for other than a temporary purpose and intend to become a citizen or permanent resident.) If you have only a Notice of Approval to Apply for Permanent Residence (I-171 or I-464), you aren't eligible for federal student aid. If you're in the United States on certain visas, including an F1 or F2 student visa, or a J1 or J2 exchange visitor visa, you're not eligible for federal student aid. Also, persons with G series visas (pertaining to international organizations) are not eligible. For more information about other types of visas that are not acceptable, check with your school's financial aid office. Citizens and eligible noncitizens may receive loans from the FFEL Program at participating foreign schools. Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau are eligible only for Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, or Federal Work-Study. These applicants should check with their schools' financial aid offices for more information.
Eligible Program	A program of organized instruction or study that leads to an academic, professional, or vocational degree or certificate, or other recognized educational credential. To receive federal student aid, you must be enrolled in an eligible program, with two exceptions: · If a school has told you that you must take certain course work to qualify for admission into one of its eligible programs, you can get a Stafford Loan for up to 12 consecutive months while you're completing that preparatory course work. You must be enrolled at least half time, and you must meet the usual student aid eligibility requirements. · If you're enrolled at least half time in a program to obtain a professional credential or certification required by a state for employment as an elementary or secondary school teacher, you can get a Federal Work-Study, Federal Perkins Loan, a Stafford Loan, or you and your parents can get a PLUS Loan, while you're enrolled in that program.
Financial Aid Package	The total amount of financial aid (federal and nonfederal) a student receives. The financial aid administrator at a postsecondary institution combines various forms of aid into a "package" to help meet a student's need. Using available resources to give each student the best possible package of aid is one of the aid administrator's major responsibilities. Because funds are often limited, an aid package might fall short of the amount a student is eligible for. Also, the amount of federal student aid in a package is affected by other sources of aid received (scholarships, state aid, etc.).

General Education Development (GED) Certificate	The certificate students receive if they've passed a specific, approved high school equivalency test. Students who have a GED can still qualify for federal student aid. A school that admits students without a high school diploma must make available a GED program in the vicinity of the school and must inform students about the program.
Guaranty Agency	A state agency or a private, nonprofit institution or organization that administers Federal Family Education Loan (FFEL) Program loans.
Half time	At schools measuring progress in credit hours and semesters, trimesters, or quarters, "half time" is at least six semester hours or quarter hours per term for an undergraduate program. At schools measuring progress in credit hours but not using semesters, trimesters, or quarters, "half time" is at least 12 semester hours or 18 quarter hours per year. At schools measuring progress in clock hours, "half time" is at least 12 hours per week. Note that schools may choose to set higher minimums than these. You must be attending school at least half time to be eligible for a Stafford Loan. Half-time enrollment is not a requirement to receive aid from the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant, Federal Work-Study, and Federal Perkins Loan programs.
National Student Loan Data System (NSLDS)	A national database for federal student aid—you can find out about the aid you've already received. (If you've only just applied for aid, you won't find any information on NSLDS yet.) NSLDS receives data from schools, agencies that guarantee loans, and U.S. Department of Education programs. The NSLDS Web site is generally available 24 hours a day, seven days a week. By using your PIN, you can get information on federal loan or grant amounts, outstanding balances, the status of your loans, and disbursements made. You can access NSLDS at www.nslds.ed.gov.
Promissory Note	The binding legal document you sign when you get a student loan. It lists the conditions under which you're borrowing and the terms under which you agree to pay back the loan. It will include information on how interest is calculated and what the deferment and cancellation provisions are. It's very important to read and save this document because you'll need to refer to it later when you begin repaying your loan.
Regular Student	One who is enrolled or accepted for enrollment at an institution for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution. Generally, to receive aid from the programs discussed in this Web site, you must be a regular student. (For some programs, there are exceptions to this requirement. See the definition of *eligible program* above.)
Satisfactory Academic Progress	To be eligible to receive federal student aid, you must meet and maintain your school's standards of satisfactory academic progress toward a degree or certificate offered by that institution. Check with your school to find out its standards.
Selective Service Registration	In order to be eligible for federal student aid you must register with the Selective Service if: · You are a male born on or after Jan. 1, 1960, and · You are at least 18 years old, and · You are not currently on active duty in the U.S. Armed Forces. Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands or the Republic of Palau are exempt from registering.

Notes: