



## Tips for Paying the Tuition Bill

**For audio dial (866) 820-9684  
access code 3613515137**



LIKE US ON FACEBOOK: FAME Education  
for weekly scholarship and financial aid information

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College Access Counselor



## Who Is FAME?

FAME helps Maine students reach their higher education goals by providing free information on planning, saving and paying for college.

- Pre-payment activities
  - Finishing Financial Aid Process
  - Reduce your bill
- Payment options
  - Tuition Payment Plan
  - Loans
    - Federal
    - Private



## Finalize financial aid paperwork

### ■ Finish it

- Finalize the FAFSA
- Accept (or reject some/all of) your aid
- Complete required documents
- Know what all your aid is – are you receiving renewable scholarships? Are they dependent on receiving a GPA or being in a certain major?



### ■ Complete verification, if selected

# Should you appeal your financial aid?

- Report any special circumstances to the Financial Aid Office?

Do you have a family circumstance that is affecting the ability to pay for college?

- Parent became unemployed
- Parents divorce or separation
- Loss of income (pay cut)
- Unusual medical expenses
- Parent(s) attending college



# Scholarships



April 20, 2017

Jennifer Kiwanian  
1371 6th Street East  
Augusta ME 04332

Dear Jennifer,

Thank you for your recent application for a scholarship from the Kiwanis. We received many outstanding applications and equally exceptional recommendations making the selection process very competitive.

Your devotion to serving others and strong commitment to improving the lives of children mirrors our Kiwanis mission. Additionally, your academic excellence and involvement in the performing arts program at your school make you an ideal candidate for our scholarship award.

The Kiwanis District is pleased to recognize your excellence in service with a \$700 academic scholarship to assist you in reaching your goals.

A check will be mailed to the University of Maine financial aid office at the address provided on your scholarship application. The check will be mailed on May 2, 2017, for disbursement of the full amount in the fall semester. Please check with your university to see if there are any special requirements for students receiving private scholarships.

Please feel free to contact our office with any questions regarding your scholarship payment.

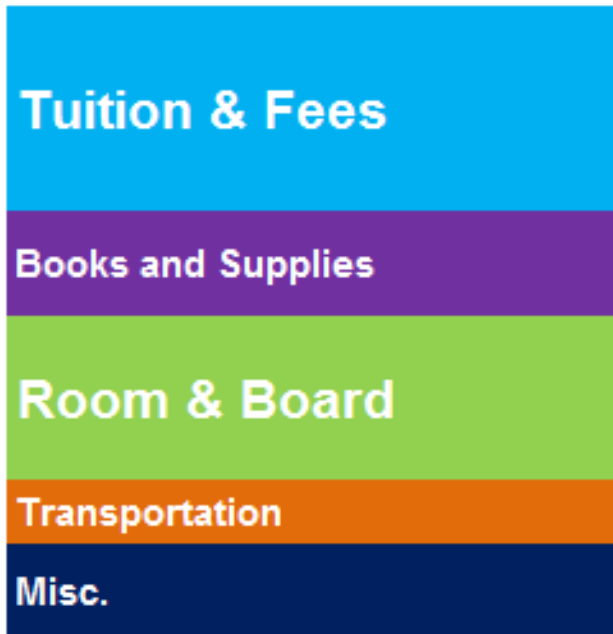
Congratulations, Jennifer!

Sincerely,  
Kiwanis 347766

- Outside scholarships
  - Submit transcripts and/or enrollment verification to scholarship organization
  - Send a copy of any scholarships received from outside the college to the Financial Aid Office ASAP

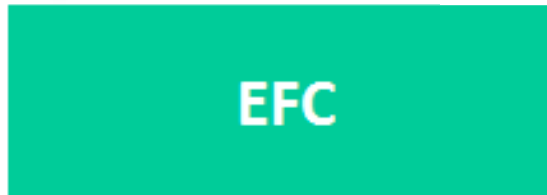
*Works for ME* ✓

# Treatment of outside scholarships



Need  
Based  
Financial  
Aid

- Pell Grant
- SEOG Grant
- ME Grant
- Institutional Scholarship
- Direct Subsidized Loan
- Federal Work Study



- Continue to look for scholarships:
  - ✓ Ask at the Financial Aid Office
  - ✓ Online Scholarship search Engines
  - ✓ [FAMEmaine.com/Scholarships](http://FAMEmaine.com/Scholarships)





- Requirements for the Direct Loan
  - Accept the loan (online or paper form)
  - Complete online “documents” at <https://studentloans.gov>
    - Master Promissory Note (MPN)
    - Entrance counseling

The screenshot shows the Federal Student Aid website. At the top, it says "Federal Student Aid" and "PROUD SPONSOR of the AMERICAN MIND™". Below that, it says "An OFFICE of the U.S. DEPARTMENT of EDUCATION". On the right, there is a "StudentLoans.gov" logo with "English | Español" below it. A navigation bar contains links for "My Account", "Getting Loans", "Tools and Resources", "Managing Repayment", "FAQs", and "Contact Us".

The main content area features a large image of graduates in caps and gowns. To the right of the image is a text box that reads: "As of May 10, 2015 you must have a verified FSA ID (Username & Password) instead of a PIN to log in to StudentLoans.gov." Below this text are links for "Create an FSA ID" and "Log In".

Below the main image is a navigation menu with four categories: "Undergraduate Students", "Graduate/Professional Students", "Parent Borrowers", and "Repayment and Consolidation".

Under "Undergraduate Students", there is a section titled "Student Loan Process" with the text: "Complete the Free Application for Federal Student Aid (FAFSA®) at www.FAFSA.gov. This is your first step in getting student aid. You must do this every year." Below this is a list of tasks: "Complete Entrance Counseling", "Complete Direct Subsidized/Unsubsidized Loan Master Promissory Note (MPN)", "Complete Financial Awareness Counseling", "Complete Exit Counseling", "Use the Repayment Estimator", and "Complete TEACH Grant Agreement to Serve and TEACH Counseling".

Under "Graduate/Professional Students", there is a section titled "What Can I Do When I Log In?" with a list of tasks: "Complete Entrance Counseling", "Complete Direct Subsidized/Unsubsidized Loan Master Promissory Note (MPN)", "Complete Financial Awareness Counseling", "Complete Exit Counseling", "Use the Repayment Estimator", and "Complete TEACH Grant Agreement to Serve and TEACH Counseling".

Under "Parent Borrowers", there is a section titled "Watch to Learn More!" with a video thumbnail titled "MYTH #5" and a "FALSE" stamp. Below the video are two bullet points: "Myths About Financial Aid" and "Overview Of The Financial Aid Process".

- Review the bill, thoroughly
  - Can they waive student health insurance?
  - Double check loan amounts
  - Are they being charged for a parking decal for their car but they aren't bringing one to campus?
  - Are they paying for the premium meal plan?
  - Rent books or buy used books



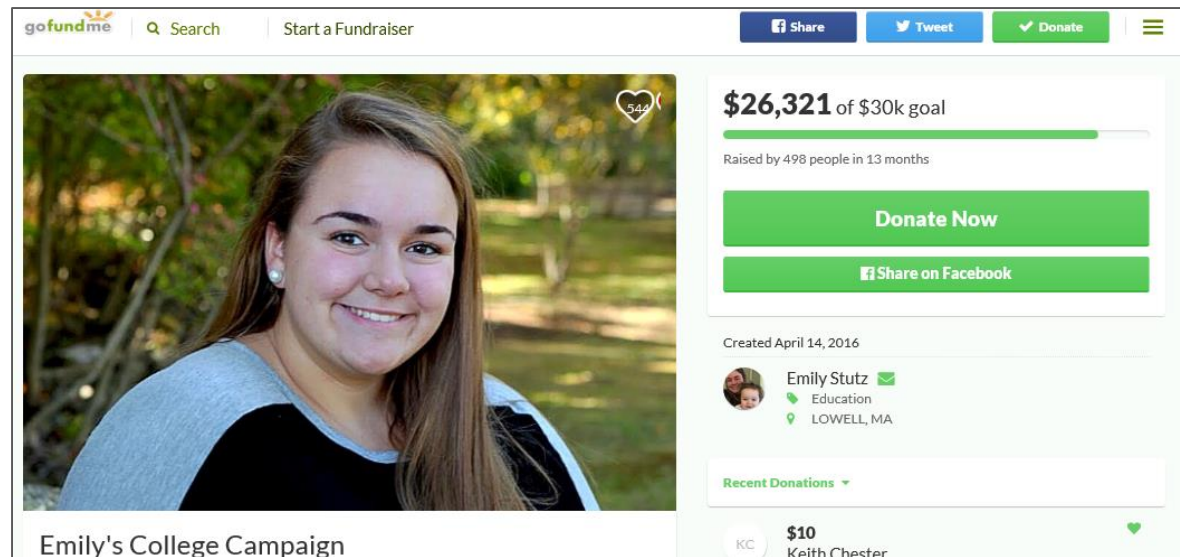
# Pre-payment Activities

- Did your AP/Dual Enrollment courses transfer in?
- Continue the hunt for scholarships
- Apply for military benefits, ROTC, national guard if applicable

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# Pre-payment Activities

- Crowdfund: Advertise on social media that you are saving for college
- Sell unwanted items



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## Payment Example:

Cost of Attendance	\$ 35,000
Financial Aid & Scholarships	-\$ 10,500
Student Savings	-\$ 2,000
Parent Savings	-\$ 2,000
Other Family Contributions	-\$ 1,000
Parent PLUS Loan	-\$ 10,000
<hr/>	
Remaining Balance	\$ 9,500

\$9500 divided by 12 months

**Monthly Tuition Payment: \$792**

## Federal loan in the student's name

Two types: Direct Subsidized and Direct Unsubsidized

- Not credit based
- Government does not cover interest on unsubsidized loan
- 4.45% Interest rate for 2017-2018
- 1.069% Origination Fee as of 10/1/2016
- 6 month grace period before goes into repayment
- Available at all Title IV schools – must file the FAFSA

## Parent PLUS loan

- Available to:
  - Parent of a dependent student – fixed interest rate of 7%\*
  - Graduate/professional student – fixed interest rate of 6%\*
- Origination fees of 4.276%\*
- FAFSA required
- Must be a credit-worthy borrower
- Biological/Adoptive parents and stepparents (on the FAFSA) can apply for the Parent PLUS loan

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- Amount you can borrow = Cost of Attendance – other aid
- Has the option to defer payments while the student is in school
- Interest rate fixed for the life of that year's loan at the time the loan is made
- Rate is reset annually each July 1 for upcoming academic year loans
- Program cap of 10.5%



- Credit Review Includes
  - Unpaid collection accounts and charge-offs
  - Delinquencies 90 days or greater
  - And within the last five years –
    - Bankruptcy discharges
    - Default on a debt
    - Tax Lien
    - Foreclosures
    - Wage garnishments
    - Write-off of FSA Debt



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- Borrowers cannot have adverse credit, but if they have no credit they can be approved
  
- If denied the borrower can:
  - Get an endorser (co-signer) Cannot be the student in the case of a parent borrower. The borrower will be required to complete mandatory loan counseling if approved w/endorser
  - Appeal the denial
  
- Or Student can receive increase Direct Unsubsidized loan (\$4000 maximum for first year student)

- Has deferment options –
  - In-school (student or parent's 1/2 time enrollment)
  - Fellowship or rehabilitation training
  - Military or post-military service
  - Economic hardship or unemployment
  
- If no deferment is selected, loan begins repayment 60 days after disbursement



- Requirements for the Direct Loan
  - Accept the loan (online or paper form)
  - Complete online “documents” at <https://studentloans.gov>
    - Master Promissory Note (MPN)
    - Complete credit check

Federal Student Aid | PROUD SPONSOR of the AMERICAN MIND™  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

StudentLoans.gov  
English | Español

My Account | Getting Loans | Tools and Resources | Managing Repayment | FAQs | Contact Us

As of May 10, 2015 you must have a verified FSA ID (Username & Password) instead of a PIN to log in to StudentLoans.gov.  
Create an FSA ID.  
If you have a verified FSA ID®, log in to StudentLoans.gov.  
For assistance, call: 1-800-557-7394.  
**Log In**

**Undergraduate Students**  
Student Loan Process  
Complete the Free Application for Federal Student Aid (FAFSA®) at [www.FAFSA.gov](http://www.FAFSA.gov).  
This is your **first** step in getting student aid. You must do this every year.

**Graduate/Professional Students**  
What Can I Do When I Log In?  

- ▶ Complete Entrance Counseling
- ▶ Complete Direct Subsidized/Unsubsidized Loan Master Promissory Note (MPN)
- ▶ Complete Financial Awareness Counseling
- ▶ Complete Exit Counseling
- ▶ Use the Repayment Estimator
- ▶ Complete TEACH Grant Agreement to Serve and TEACH Counseling

**Parent Borrowers**  
Watch to Learn More!  

- Myths About Financial Aid
- Overview Of The Financial Aid Process

**Repayment and Consolidation**

# Private Education Loans

- Funded through private lenders
- NOT a federal program
- Student is almost always the borrower and must be 18 years of age
- Co-signer with good credit history and low debt-to-income ratio is required
- Co-signer is just as responsible as the student for repayment
- FAFSA may be required

# Private Education Loans

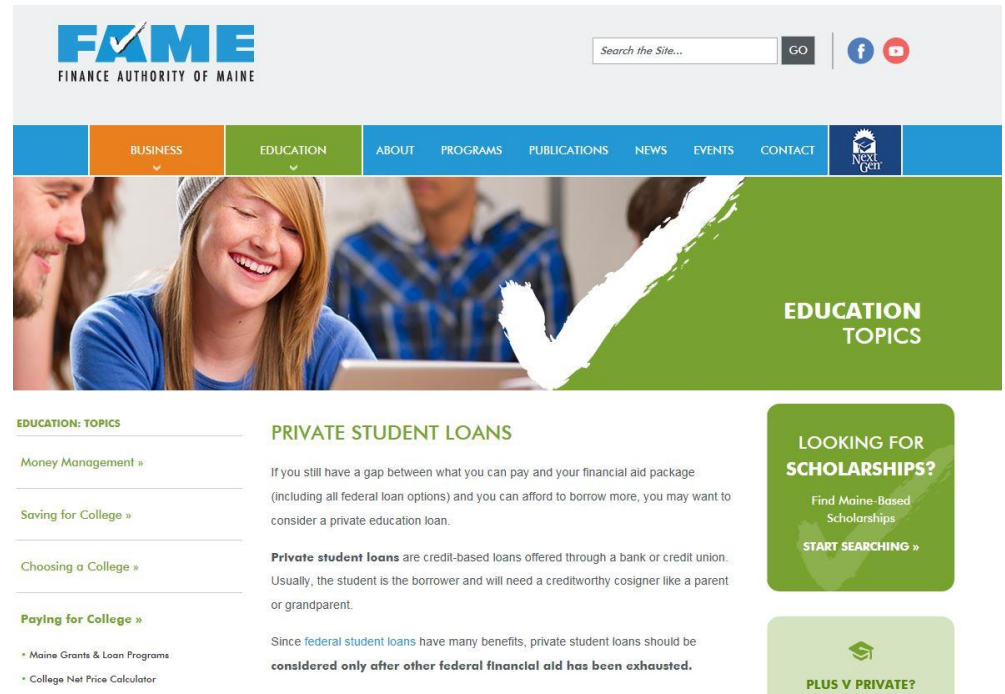
Questions to ask when borrowing a private education loan:

- How much can I borrow?
  - $\text{Loan Amount} = \text{Cost of attendance} - \text{Other Aid}$
- What are the interest rates, fees, repayment terms
  - Often, Lower credit score = higher interest rates
- What are the payment options?
  - Immediate repayment
  - Defer principal but pay interest
  - Defer principal and interest
- Are there benefits?
  - Grace period
  - Hardship or in School deferment?
  - Interest rate discounts?



# Private Education Loans

- Maine options
- National options
- [TheLoanForME.com](http://TheLoanForME.com)



The screenshot shows the FAME website's navigation and content. The top navigation bar includes 'BUSINESS', 'EDUCATION', 'ABOUT', 'PROGRAMS', 'PUBLICATIONS', 'NEWS', 'EVENTS', and 'CONTACT'. The 'EDUCATION' menu is active, showing a list of topics: 'Money Management', 'Saving for College', 'Choosing a College', and 'Paying for College'. The 'Paying for College' section is expanded, displaying 'PRIVATE STUDENT LOANS' with a detailed explanation of private student loans and a link to 'LOOKING FOR SCHOLARSHIPS?'. The page also features a search bar, social media icons, and a 'Next Gen' logo.

**EDUCATION: TOPICS**

- Money Management »
- Saving for College »
- Choosing a College »
- Paying for College »**
  - Maine Grants & Loan Programs
  - College Net Price Calculator

**PRIVATE STUDENT LOANS**

If you still have a gap between what you can pay and your financial aid package (including all federal loan options) and you can afford to borrow more, you may want to consider a private education loan.

**Private student loans** are credit-based loans offered through a bank or credit union. Usually, the student is the borrower and will need a creditworthy cosigner like a parent or grandparent.

Since **federal student loans** have many benefits, private student loans should be **considered only after other federal financial aid has been exhausted.**

**LOOKING FOR SCHOLARSHIPS?**  
Find Maine-Based Scholarships  
**START SEARCHING »**

**PLUS V PRIVATE?**

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# Other Financing Options

- Secured Loans: Taking out a loan using existing asset as collateral. Example-Borrowing against a life insurance plan
- Asset Sales: Selling personal property and using to pay tuition (piece of land, boat, etc.)
- Rental income: Consider renting out camp or your house while you are on vacation



# Education Tax Credits

- Allows taxpayers to deduct educational expenses from their federal income tax, not just from taxable income
- Must pay post-secondary tuition and certain related expenses for yourself, your spouse or your dependent
- Often underutilized
- Could use the increased tax refund to pay for next year

# Education Tax Credits

- **Educational Opportunity Tax Credit** - Maine tax credit for student loan payments made by degree earners who live, work, and pay taxes in Maine after graduation [www.opportunitymaine.org](http://www.opportunitymaine.org)
- **American Opportunity Tax Credit** - Federal income tax credit of up to \$2,500 per student
- **Lifetime Learning Tax Credit** - Federal income tax credit of up to \$2,000 per taxpayer
- **Student Loan Interest Deduction** - Federal tax deduction of up to \$2,500 in interest as an adjustment to income

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- Can you attend a lower-cost school (even if only for the first year)?
- What about a gap year, or deferring admission?
- Could you live at home, or with a relative?
- Can you get a roommate?
- Can your parents rent a room?



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# Questions?

## Finance Authority of Maine

5 Community Drive

P.O. Box 949

Augusta, ME 04332

1-800-228-3734

TTY: 207-626-2717

[education@FAMEmaine.com](mailto:education@FAMEmaine.com)

[FAMEmaine.com](http://FAMEmaine.com)



## FAME Education

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