



Understanding the Bill and Tips to Pay



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

Mila Tappan

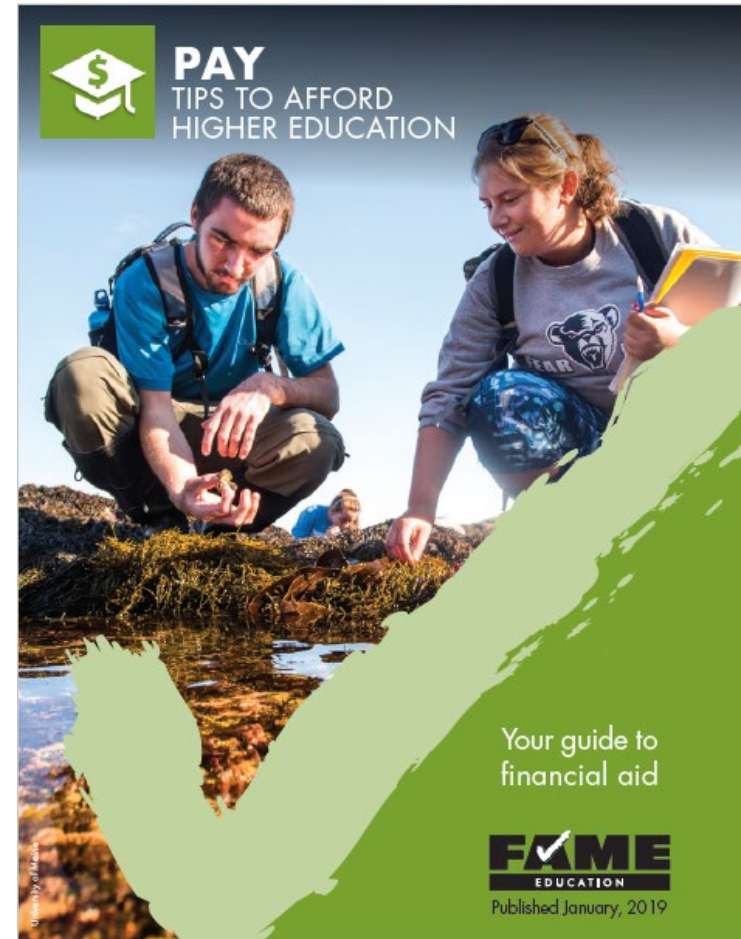
Manager of College Access
and Outreach



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
- Understanding the Bill
- Paying the Balance



Finalize financial aid paperwork

■ Finish it

- Complete verification, if selected
- Accept (or reject some/all of) your aid
- Provide any required documents (be sure to check “portal” regularly)



If students haven't filed a FAFSA, it's not too late (though some types of aid may no longer be available!)

Should You Appeal?

- If the current situation is different from what was on the FAFSA, contact the Financial Aid Office.
- Students should discuss an appeal if:
 - Parent became unemployed
 - Parents divorce or separation
 - Loss of income
 - Unusual medical expenses
 - Parent(s) attending college or repaying education loans



Outside 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.

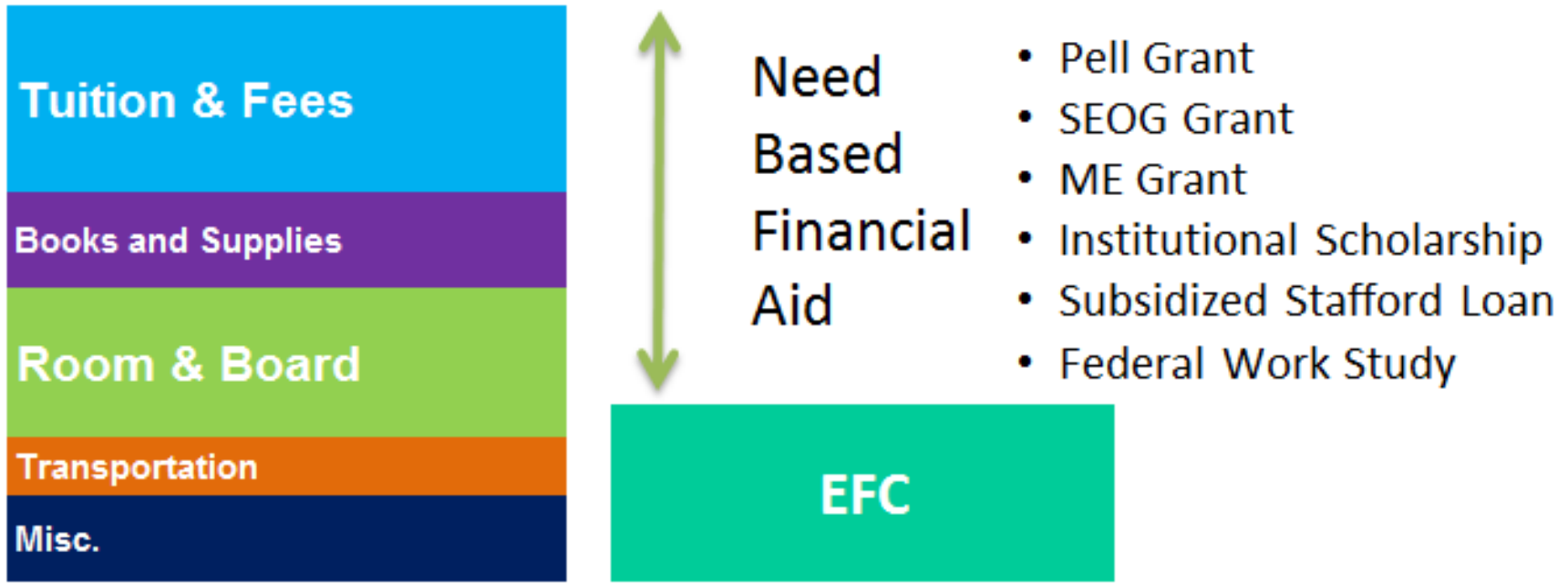
Congratulations, Jennifer!

Sincerely,
Kiwanis 347766

- Notify the Financial Aid Office
 - Students are required to notify Financial Aid
 - Do so as early as possible and ask if any aid needs to be adjusted.
 - If so, discuss options (type of aid adjusted or possibility of recognizing additional expenses)

Works for ME ✓

Treatment of Outside Scholarships



- Continue to look for scholarships:
 - ✓ Ask at the Financial Aid Office
 - ✓ Online Scholarship Searches (free only)
 - ✓ FAMEmaine.com/Scholarships



Direct Loan Requirements

- 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 StudentLoans.gov website. At the top, it features the 'Federal Student Aid' logo, the text 'PROUD SPONSOR of the AMERICAN MIND™', and the 'StudentLoans.gov' logo with 'English | Español' options. A navigation bar includes links for 'My Account', 'Getting Loans', 'Tools and Resources', 'Managing Repayment', 'FAQs', and 'Contact Us'. The main content area has a banner image of graduates with a text box stating: '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 is a 'Log In' button. A navigation menu below the banner includes icons and labels for 'Undergraduate Students', 'Graduate/Professional Students', 'Parent Borrowers', and 'Repayment and Consolidation'. The 'Undergraduate Students' section is expanded, showing 'Student Loan Process' with instructions to complete the FAFSA at www.FAFSA.gov and 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'. The 'What Can I Do When I Log In?' section lists the same tasks. A 'Watch to Learn More!' section features a 'MYTH #5' graphic with 'FALSE' and links to 'Myths About Financial Aid' and 'Overview Of The Financial Aid Process'.

Discuss Summer Earnings

- What are the expectations of the student?
 - Working how much?
 - Contributing what portion?
 - Covering what costs?
- Making sure everyone is on the same page is super important!

Review Course Schedule



- Does schedule reflect classes already taken (AP/Dual Enrollment)?
- Have all credits transferred in?
- Be sure to understand how tuition is charged (per credit or set fee for full time?)

Works for ME ✓

- Review the bill, thoroughly
 - Can they waive student health insurance?
 - Has all aid been applied to the bill?
 - Are Direct Loans showing as estimated aid (actual funds can't be disbursed until start of semester)?
 - Are they being charged for a parking decal but not bringing a car to campus?
 - Are they paying for the premium meal plan?

Determine the Balance

Example:

Fall <u>Direct</u> Costs	\$15,000
Grants and Scholarships	- \$ 4,000
<u>Estimated Direct Loan (after fees)</u>	<u>- \$ 2,721</u>
Remaining Balance	\$8,279

Work-Study is not applied to the bill but is earned in a paycheck as the student works.

Works for ME ✓

Determine the Balance

Example:

Remaining Balance	\$8,279
Student Summer Earnings	-\$500
Student Savings	-\$500
<u>Parent Savings</u>	<u>-\$1,500</u>
Remaining Balance	\$5,779

Consider Tuition Payment Plan

Example:

Remaining Balance \$5,779

Family determines they can contribute \$400 per month and school offers a five month plan.

$$\$400 \times 5 = \$2,000$$

Remaining Balance \$5,779

Tuition Payment Plan -\$2,000

New Balance \$3,779 for fall

Additional Loans

- If no other options available, additional loans may be considered.
- Loans are typically borrowed for one year at a time with one half disbursed for each the fall and spring semesters.
- For example: $\$3,779 \times 2 = \7558
- Be sure to discuss how books and other expenses will be covered (Work-Study, regular job, and/or savings)

Federal Loan Options

- First, let's review the Federal Direct Loan Program:
 - Two types: Direct Subsidized and Direct Unsubsidized
 - Not credit based
 - Amounts are limited based on grade level
 - Full amounts included in most financial aid awards
 - 4.53% Interest rate for 2019-2020
 - 1.062% Origination Fee as of 10/1/2018
 - Six month grace period before goes into repayment
 - Multiple repayment options

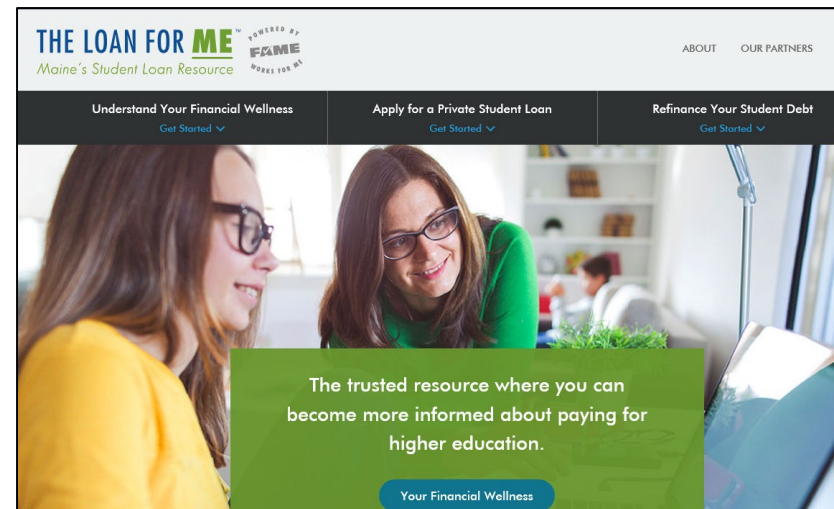
Federal Loan Options

- Federal Direct PLUS Loan
 - Available to parent of a dependent student and graduate students
 - Fixed interest rate of 7.08%
 - Origination fees of 4.248%
 - Must be a credit-worthy borrower
- More affordable options exist for many families!
- However, some parents apply because, if denied, opens up additional unsubsidized Direct Loan for the student (\$4,000 first year student).

Private Loans – Vary by Lender

- Variable or Fixed Interest Rates
- Origination or guarantee fees
- Repayment options
- Quality of customer service, lender experience and reputation
- Additional considerations:
 - Application process
 - Minimum, maximum, and aggregate loan amounts
 - Repayment term, deferment options, and borrower benefits

- TheLoanforME.com was created to help Maine families become informed borrowers
- Sections include:
 - Understanding Your Financial Wellness
 - Private Loans – research and compare lenders
 - Refinancing Student Debt



Maine-Based Loan Options

- Maine Private Education Loan Network
Participating Lenders:

THESE LENDERS OFFER VARIABLE RATE LOANS:



Maine Savings
INFINITY
cPort CREDIT UNION
MAINE STATE CREDIT UNION
UCU UNIVERSITY CREDIT UNION
Bath Savings
SEABOARD FEDERAL CREDIT UNION
Camden NATIONAL BANK
Bangor Savings Bank

Works for ME ✓

Maine-Based Loan Options

■ The Maine Loan

- Administered by FAME
- Fixed Interest Rates
- Rate based on repayment option selected: 4.49%, 5.49%, or 6.49%
- Guarantee fee: 0%



Financial Education & Responsible Borrowing

- Required financial education modules through iGrad[®] as part of the application process
- Learning objectives include:
 - Things to consider before borrowing
 - Making the decision
 - Understanding credit reports, money management, and debt reduction strategies

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
- **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

Works for ME ✓

Need to Revise the Plan?

- Could you live at home, or with a relative?
- Can you get a roommate?
- Can your parents rent a room?
- Can you attend a lower-cost school (even if only for the first year)?
- Multiple pathways exist – stay focused on the end result!





Finance Authority of Maine

5 Community Drive

P.O. Box 949

Augusta, ME 04332

1-800-228-3734

TTY: 207-626-2717

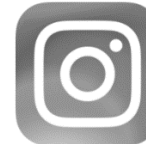
education@FAMEmaine.com

FAME-education.com

Questions?



FAME.Education



Fame.education



@FAME_Education



FAMEMaine

Works for ME ✓