

Options for Financing

Below are descriptions of a few popular ways to finance college costs. It is important to note that most families use a combination of the following financing options to manage the total family share.

Type	Description
Tuition Payment Plans	<ul style="list-style-type: none"> No interest payments Typically payments are divided over 8 - 12 months Helps to limit the need for borrowing by allowing families to pay college costs from current income Enrollment fee Financial aid office provides information about payment plans
Federal Parent PLUS Loan	<ul style="list-style-type: none"> Fixed interest rate of 8.5% for FFEL PLUS Loans and 7.9% for Direct PLUS Loans 10-year repayment typically begins after second disbursement; options available to defer payments while student is enrolled at least half time Pre-approval process, based on credit check Interest may be tax deductible. Visit www.irs.gov for more information Parent is solely responsible for loan Annual maximum is determined by the cost of education less any other aid
Home Equity Line of Credit (HELOC)	<ul style="list-style-type: none"> Revolving credit line, much like a credit card that is backed by the portion of the home value that the borrower owns outright Interest rates are most often variable and payments will vary depending on the interest rate and amount owed Do your research as certain fees may apply Interest may be tax deductible. Visit www.irs.gov for more information
Home Equity Loan	<ul style="list-style-type: none"> A one-time lump sum loan based on the amount of equity a homeowner has in the property Usually features a fixed rate, payment and term Do your research as certain fees may apply Interest may be tax deductible. Visit www.irs.gov for more information
Private Student Loans	<ul style="list-style-type: none"> A loan in the student's name Often there are deferred payments while in-school Often requires a creditworthy co-signer Eligibility is determined by a student's credit bureau score. FICO is used frequently. Visit www.myfico.com for more information. Applicant must compare rates, terms, repayment options, loan limits and fees Usually based on LIBOR or PRIME rates (common financial indexes, which are often used as base rates in lending)

Be certain to check with your college financial aid office for specific information.

REPAYMENT ESTIMATOR
standard 10-Year Repayment Plan

Loan Amount	Term (months)	Monthly Stafford Payment	Monthly PLUS Payment
\$5,500	120	\$61	\$68
\$10,500	120	\$117	\$130
\$19,000	120	\$211	\$236
\$23,000	120	\$255	\$285
\$35,000	120	\$389	\$434

Payments are rounded to whole dollars. Based on a maximum interest rate of 6.0% for Stafford and 8.5% for PLUS loans.

CALCULATORS

<http://www.nhheaf.org/calcs.asp>

College Cost • College Savings • Expected Family Contribution • Borrower Benefits
Consolidation Calculator • College Loan Repayment • FICO Score Estimator

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Undergraduate Federal Aid Programs



Federal Student Aid Program	Types of Aid	Program Details	Annual Award Limits								
Federal Pell Grant	Grant: does not have to be repaid	Awarded to students with exceptional financial need. Award amount is based on the Cost of Attendance, Expected Family Contribution (EFC) and enrollment status of student.	\$976 to \$5350								
Federal Supplemental Educational Opportunity Grant	Grant: does not have to be repaid	A federal grant program for students with exceptional need. SEOG grants are awarded by the school's financial aid office.	\$200 to \$4000								
Academic Competitiveness Grant	Grant: does not have to be repaid	For students receiving Pell Grants who are U.S. citizens enrolled full-time in their first or second academic year of study. For first year students who have completed a rigorous secondary school program of study, graduated from high school after January 1, 2006 and have not been previously enrolled in an undergraduate program. For second year students who have completed a rigorous secondary school program of study, graduated from high school after January 1, 2005 and have at least a 3.0 cumulative GPA.	Up to \$750 for the first academic year Up to \$1,300 for the second academic year								
National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)	Grant: does not have to be repaid	For students receiving Pell Grants, who are U.S. citizens enrolled full time in their third or fourth academic year of an eligible program majoring in physical, life or computer sciences, engineering, technology, mathematics or a critical-need foreign language and have at least a 3.0 cumulative GPA on a 4.0 scale.	Up to \$4,000 for each of the third and fourth academic year								
Federal Work Study (FWS)	Employment: does not have to be repaid	Jobs can be on campus or off campus; students are paid at least federal minimum wage. Money earned from a FWS job is not credited to the tuition bill. Therefore, FWS earnings are typically used to cover indirect costs (book, materials, personal expenses).	No annual minimum or maximum award amounts								
Subsidized Federal Stafford/Direct Loans	Loan: must be repaid	U.S. Department of Education pays interest while borrower is in school and during grace and deferment periods. Student must be enrolled at least half time and demonstrate financial need. Beginning on July 1, 2010, these loans have a fixed interest rate of 4.5%.	<table border="1"> <thead> <tr> <th>Year in College</th> <th>Dependent Undergraduate Student</th> </tr> </thead> <tbody> <tr> <td>First Year</td> <td>\$3,500 (subsidized) \$2,000 (unsubsidized)</td> </tr> <tr> <td>Second Year</td> <td>\$4,500 (subsidized) \$2,000 (unsubsidized)</td> </tr> <tr> <td>Third Year and Beyond</td> <td>\$5,500 (subsidized) \$2,000 (unsubsidized)</td> </tr> </tbody> </table>	Year in College	Dependent Undergraduate Student	First Year	\$3,500 (subsidized) \$2,000 (unsubsidized)	Second Year	\$4,500 (subsidized) \$2,000 (unsubsidized)	Third Year and Beyond	\$5,500 (subsidized) \$2,000 (unsubsidized)
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Unsubsidized Federal Stafford/Direct Loans	Loan: must be repaid	Borrower is responsible for interest during the life of the loan. Student must be enrolled at least half time. Financial need is not a requirement. These loans have a fixed interest rate of 6.8%. All undergraduate students may qualify for additional unsubsidized funds if a parent is denied a parent PLUS loan.	<table border="1"> <thead> <tr> <th>Year in College</th> <th>Dependent Undergraduate Student</th> </tr> </thead> <tbody> <tr> <td>First Year</td> <td>\$3,500 (subsidized) \$2,000 (unsubsidized)</td> </tr> <tr> <td>Second Year</td> <td>\$4,500 (subsidized) \$2,000 (unsubsidized)</td> </tr> <tr> <td>Third Year and Beyond</td> <td>\$5,500 (subsidized) \$2,000 (unsubsidized)</td> </tr> </tbody> </table>	Year in College	Dependent Undergraduate Student	First Year	\$3,500 (subsidized) \$2,000 (unsubsidized)	Second Year	\$4,500 (subsidized) \$2,000 (unsubsidized)	Third Year and Beyond	\$5,500 (subsidized) \$2,000 (unsubsidized)
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Federal Perkins Loan	Loan: must be repaid	The Perkins loans has one of the lowest interest rates (5%) and is awarded by the financial aid administrator to students with exceptional financial need. The interest on the Perkins Loan is subsidized while the student is in school and the student has a 9-month grace period after graduating or leaving college before repayment begins.	\$5,500 maximum								