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NO LESS



How To Get **EXACTLY** What You
Need Financially To Go To College

Student/Parent Workbook



How To Get **EXACTLY** What You Need Financially To Go To College

Too many students graduate with more debt than they can handle. The '**Know More No Less**' **Financial Readiness Workbook** is designed to help you define your post-secondary financial needs. In this workbook you'll learn how to access non-loan sources to support your post-secondary interests, as well as how to apply for financial assistance online.

Know More

You do not want to borrow more money than you need to pursue your post-secondary goals. This will put you deeper in post-graduate debt than you need to be. This workbook will help you to identify non-loan sources of money to support your post-secondary plans. It will also introduce you to three types of loans designed for students pursuing post-secondary training.

No Less

You do not want to run out of money while at college. You may be tempted to turn to high-cost forms of borrowing like credit cards or less reputable lenders. This workbook will help you define exactly what you need to financially support yourself at a post-secondary institution.

Know More No Less Workbook Outcomes

By completing this workbook, each student will be able to:

- 1) Identify your basic financial requirements to support the achievement of personal post-secondary plans.
- 2) Minimize total loan requirements by developing a variety of non-loan paying options.
- 3) Demonstrate an awareness of borrowing options.
- 4) Apply for financial assistance online.

The sooner you prepare to finance your post-secondary interests, the less money you'll need to borrow to get there.

Get started today!

Activity 1: No Less Than What You Need

Purpose: To define the annual financial costs of pursuing your post-secondary interests.

Introduction

You cannot know how much it costs for you to live if someone else has been paying your way. You may not know how to manage your money if you've only paid for fun on the weekends. It is important that you understand the full-year costs of post-secondary life to prepare more effectively for adequate finances. It *may* even help you to manage money more responsibly.

Activity 1 helps you clarify what you need to financially support yourself in post-secondary. As you estimate your costs for various expenses, be realistic. Find out exactly what it costs by doing a little research at home or on the Internet. \$100 extra dollars a month turns into thousands more you have to borrow over a four year period. This will extend the amount you will have to pay back someday.

Step-By-Step

- 1) Write your post-secondary goal in the space provided. For example: "To complete a four-year degree in Journalism." Write the Institution you are considering and your projected 'Date of Goal Completion' in the space provided.
- 2) Write a 'Targeted Field of Work' where you intend to use the post-secondary education you are paying for. If you are unsure, write one example of where you could use your degree, certificate, or diploma.
- 3) Visit the website of the institution you identified above. Find out the costs of the various things listed under Institutional Expenses in the Activity 1 Worksheet. If you are unable to find any information, phone the institution to gather the information.
- 4) Sit down with your parents/guardians to determine your estimated monthly living expenses. To determine your annual costs, multiply your monthly costs by the number of months you will be attending school in a year. This is typically 8 months.
- 5) Work with your parents/guardians to determine any additional expenses that you will likely have while pursuing your post-secondary interests.
- 6) Multiply your annual costs by the number of years you expect it will take to achieve your post-secondary goal. You will then have an estimate of "no less than what you need". To check your total against national averages for public and private colleges, visit the Teenagers Today College Expense Calculator on the web.
<http://teenagerstoday.com/resources/college.htm>

Moving On

You have now determined your Total Annual Cost for achieving your post-secondary goal. Next, you need to identify a variety of ways you can pay for that cost without borrowing money. This will be reviewed in Activity 2 – No More Than You Need.

Activity 2: No More Than What You Need – Part I

Purpose: To minimize total student loan requirements by developing a variety of non-loan options to pay for post-secondary education.

Introduction

Loans are only one source of funds to pay for post-secondary education. You can reduce the amount you need to borrow by researching the many other sources of post-secondary financial support. These sources include personal savings, parent contribution, work study programs, merit scholarships, and unique scholarships.

Activity 2 guides you through research completed in your home, at colleges you are considering, in your community and on the Internet. Each of these sources provides an opportunity to reduce your total debt from loans gathered during your years of college or other post-secondary pursuits.

Step-By-Step

- 1) Write your Total Annual Post-Secondary Cost from Activity 1 into the space on the top of the Activity 2 Worksheet.
- 2) Home Funding
 - Estimate how much personal savings you will have by the time you leave for college. Write that total into the space beside question 1.
 - Find out from your parents if you have an Educations Savings Account. Write that total into the space by question 2.
 - Discuss how much your parents/relatives will contribute to your post-secondary education. Write that total into the space by question 3.
- 3) Work Study

These questions apply to those considering work as part of your college experience.

 - Research the Federal Work Study Program on the Internet. If you will participate, estimate the grant total and write it in the space by question 4.
 - If you plan to find a part-time job or join a Co-operative Education Program, write the estimated total annual earnings by question 5.
- 4) Merit Scholarships

Excellence or specialized training can gain you scholarships from your school, college, community, state and/or country. Research the types of scholarships for you with your counselor and on the Internet.

 - If you qualify for academic scholarships, write your projected amount by question 6.
 - If you qualify for some other special skill or training, write your projected scholarship total by question 7.
- 5) National/State/College Unique Scholarships

You would be surprised at how many different things can qualify you for a scholarship.

 - See if your college offers First Generation, Alumni, or Sibling scholarships as mentioned in questions 8, 9 and 10.
 - Do you, your parents, or your relatives belong to any unions, professional associations, membership organizations, teams or clubs? Does your race, gender or socio-economic status qualify you for any local scholarships? Write the value of any unique national, state or college scholarships you anticipate receiving next to question 11.
- 6) Local Unique Scholarships

Use your unique personal and family memberships and characteristics to find little known local scholarships. Millions of dollars in scholarships go unclaimed because no one applied. This is an opportunity for you to reduce the amount of loan you require for college. Write your projected funding from local scholarship gems beside question 12.
- 7) Subtract the total projected funds identified in questions 1 – 12 from the Total Annual Post-Secondary Cost on the top. Write your total funds required from loans in the space at the bottom of the page.

Moving On

You have identified non-loan sources of funding to reduce the amount you need to borrow to go to college. Now it's time to examine the types of loans you will require to assure you have adequate funds for your post-secondary education.



Activity 2 Worksheet: No More Than What You Need – Part I Non-Loan Funding Sources

Answer each of the following questions to identify non-loan sources for funds. Enter the amount you project you will earn from non-loan sources. Non-loan sources of funds reduce the amount of money you need to borrow for post-secondary education. Subtract your Non-Loan Funds from the Total Annual Post-Secondary Cost.

No Less (Total Annual Post-Secondary Cost – from Activity 1) \$ _____

1) Do you have personal savings for post-secondary education?
Yes - Projected Personal Savings \$ _____

2) Do you have a tax exempt Education Savings Account?
Yes - Projected Education Savings Account \$ _____

3) Will your parents or other relatives provide financial support?
Yes - Projected Parent/Relative Contribution \$ _____

4) Do you plan to participate in the Federal Work Study program?
Yes - Projected Federal Work Study Grant \$ _____

5) Do you plan to work or enroll in a Co-operative Ed. program?
Yes - Projected Work/Co-op Earnings \$ _____

6) Are you in the top 2-3% of students in your SAT or ACT scores?
Yes - Merit/President's Scholarships \$ _____

7) Do you have specific skill or training for which you could receive a specialized scholarship? (eg. ROTC, athletics, music, drama)
Yes - Specialty Scholarships \$ _____

8) Are you the first in your family to ever go to college?
Yes - First Generation Scholarships \$ _____

9) Are you going to college where your mother, father or grandparents completed a degree?
Yes - Alumni Scholarships \$ _____

10) Do you have a brother or sister who will be attending the same college/university as you?
Yes - Sibling Scholarships \$ _____

11) Have you completed a thorough search at your college and on the web for little known scholarships for which you qualify?
Yes - National/State/College Scholarship Gems \$ _____

12) Have you completed a thorough search in your local community for scholarships for which you qualify?
Yes - Local Scholarship Gems \$ _____

No More I (Total Cost minus funding from items 1 – 12) \$ _____

Activity 3: No More Than What You Need – Part II

Purpose: To expand student awareness of borrowing options.

Introduction

No learner should ever cite financial reasons for not being able to access a post-secondary education. Federally-funded loan programs provide support to students and parents seeking financial assistance for college. Private loans are recommended as considerations after federally-funded program contributions are defined.

Activity 3 guides you through research into the basics of educational loans. Using the 'Paying for College – Guide for Students' component of Bridges' Know More No Less web page, you will research the answers to twenty vital questions whose answers lay a foundation for understanding the borrowing process for post-secondary education.

Step-By-Step

- 1) Take the questions of Activity 3 and log on to www.bridges.com/more. Select the link under Workbook Activities section called 'Paying For College'.
- 2) Under the title 'Funding Your Education', scroll down to Step 4: Compete the FAFSA. Use the FAFSA link to answer questions 1 – 4. Write your answers in the space provided on the worksheet.
- 3) Scroll to Step 6: Understand Your Financial Aid Package. Use the Student Aid Report link to answer questions 5 – 7 on your worksheet.
- 4) Under the title, 'Borrowing For College', use Step 1: Understanding the Loan Process (Frequently Asked Questions) to answer questions 8 and 9.
- 5) Use the 'different types of loans' link in Step 2: Types of Loans to answer questions 10 – 16. Write your answers on the worksheet.
- 6) Use the 'compare financial aid packages' link to answer questions 17 – 20.

Moving On

You have a better understanding of the borrowing process that is followed by millions of students who apply to college each year. For more information on preparing or applying for college, check out our website at www.bridges.com/iec. Review the information under the "Going To College" section by exploring the "applying for college" and "preparing for college" links. Encourage your parents to review the Going To College website as well - there is lots of information to help them help you get started.!

You have identified how much you'll need for college and examined a variety of different ways to pay for it. The final activity in 'No More No Less' is to practice applying for loans online.



Activity 3 Worksheet (page 1 of 2): No More Than What You Need – Part II Post-Secondary Education Loans Quiz

FAFSA – Where All Loan Applications Begin

- 1) What do the initials FAFSA stand for? _____
- 2) What is the information on the FAFSA used for? _____

- 3) FAFSA forms aren't due until June 30. Why is it recommended that forms be completed as close to January 1 as possible?

- 4) What are the four types of information you'll need to complete the FAFSA?

Student Aid Report – Understanding Your Financial Aid Package

- 5) How soon after you submit your FAFSA can you expect to receive your Student Aid Report?

- 6) One of the things in the report is your EFC. What is that?

- 7) Who else receives a copy of your Student Aid Report?

Understanding the Loan Process

- 8) What is the difference between a federal loan and a private loan?

- 9) Are the interest rates for federal education loans the same for all lenders?

Types of Loans – Federal Stafford Loans for Students

- 10) The Stafford Loan is the most popular education loan for students. When do you have to begin paying back this loan?



Activity 3 Worksheet (page 2 of 2): No More Than What You Need – Part II Post-Secondary Education Loans Quiz

11) What three things determine the amount you can borrow in Stafford Loans?

12) When deciding how much you can borrow, you should know there are 'subsidized' and 'unsubsidized' Stafford Loans. What's the difference?

Types of Loans – Federal PLUS Loans for Parents

13) What percent of a student's cost of education can be paid with a PLUS Loan? _____

14) True or False? Eligibility for a PLUS Loan is not based on household income. _____

15) True or False? PLUS loans for tuition and fees are sent directly to the college. _____

Types of Loans – Private Loans

16) Why would a family consider any other loans beyond Stafford and PLUS Loans?

Comparing Financial Aid Packages

17) How do colleges know to send you an 'award letter'?

18) What are the three main parts of each school's award letter?

19) Can you attend a college and only accept part of their financial aid offer? _____

20) Why is it important to pay attention to deadlines in the award letter?

Purpose: To simulate applying for financial assistance using an online practice application.

Introduction

Applying for financial assistance is the final step in securing the resources you require to attend the post secondary institution you have chosen. While it may seem that all your financial decision making is behind you, you will want to complete the application process as accurately as possible to receive the amount of funds you require and more importantly, that you get them on time.

Although there are a couple of ways to apply for a student loan, applying online is the quickest way to secure the funds you require. In the following activity you will be guided through an online student loan application process to familiarize you and your family with the information required to complete a federal Stafford loan. This online activity simulates what a student would actually have to do to apply for a student loan using a lending institution's online application program.

Step-By-Step

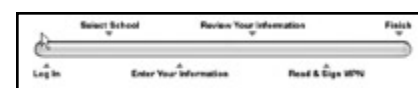
1) The first step in receiving federal loan funding is completing the FAFSA (Free Application for Federal Student Aid). In order to complete this application, visit <http://www.fafsa.ed.gov> and follow the instructions for filling out the FAFSA. If your parents claim you as a dependent for tax purposes, you will need their help to complete the application.

2) To begin our online application process, enter the following URL: <http://www.bridges.com/more>. Select the link to use the online application practice tools.



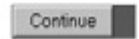
3) For this demonstration, we will be reviewing the application process for a Stafford Loan. The Stafford Loan application program demonstrates the 5 main functions of an online application:

- Creating an account
- Selecting your school information
- Entering your personal information
- Reviewing your information for accuracy
- Reviewing and signing your Master Promissory Note



Activity 4 (page 2 of 3): Applying For Financial Assistance Online

To proceed with the demonstration, click the buttons (highlighted by a green background) on each web page. The data in the fields will automatically be populated to give you an idea of what information is required to complete this application.



At the end of this demonstration you can review the application process for Plus Loans or private education loans at your convenience.

- 4) To begin the online loan application program, every customer must create a personal account. This account is secured to ensure that the information remains confidential and will only be used by the financial institution. Once all your personal information has been captured be sure to review it before moving on to the next section.



- 5) Now that your account has been created, you will need to input information about the school you wish to attend. Record all the relevant details in the boxes provided.



- 6) Next you must enter your personal information. This includes your personal data, reference information, the lender selection (bank you want use) and loan options. Review the information you entered before moving to the following section.



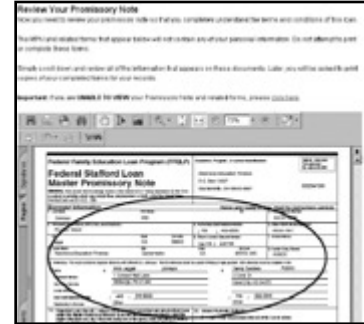
- 7) Completing the Master Promissory Note (MPN) and submitting your “electronic signature” finalizes your student loan application. A MPN is a legal agreement where the borrower promises to pay back the amount of money borrowed plus interest in the terms (number of years) outlined in the agreement.

- To begin this process, the applicant must give their consent using an electronic signature (a PIN code that verifies an applicant’s identity).
- Click the navigation buttons (highlighted by a green background) to move through identity verification.



Activity 4 (page 3 of 3):
Applying For Financial Assistance Online

c. Review your Master Promissory Note. Ensure your borrower information is accurate to avoid any delays in receiving your loan.



d. Enter your name, E-Sign PIN and submit your electronic signature.



8) This completes the student loan application. Be sure to print a copy of the MPN for your records.



Moving On

It is important to note, that on the Stafford Loan MPN the borrower does not specify how much to borrow. When the school notifies the applicant of the amount and types of loans they are qualified to borrow, the applicant may choose to reduce the loan amount or cancel the loan to make sure they are not borrowing too much.

If the loan amount is not enough you may consider further assistance through a private education loan or assistance from your parent through a PLUS Loan.

This concludes the Know More, No Less workbook. You should now feel comfortable that you will be able to borrow just the right amount of funds to get you through the education program you have chosen. Make sure that you put this workbook in a safe place. When it comes time to do the "real thing," review this workbook and verify the data is still relevant. When you are ready, you can use the following link www.bridges.com/more to apply for your student loan online with the tools you are already familiar with.



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