

FOR IMMEDIATE RELEASE:

Tuesday, May 26, 2009.

CONTACT:

Carolynn Bright
Media Relations Coordinator
(406) 495-7506

SAF: Resources Available to Help Montanans Pay for Higher Education

(HELENA) With college acceptance letters arriving at homes throughout Montana on a daily basis, parents and students are asking the question, "How are we going to pay for this?"

Nonprofit Student Assistance Foundation (SAF) assures families that financial help is available to bridge the difference between cash in hand and the price tag for tuition.

"Sadly, for as much planning as families put into their children's higher education expenses, it's not uncommon for last-minute financial gaps to present themselves," said Kelly Chapman, SAF's vice president of Foundation Activities. "It's nice to know that, even in this turbulent economic environment, money is available to help pay for college. Montana students and families are not alone as they work to build a better future for our state beginning with a foundation of higher education."

One such opportunity is the benefit for families paying tuition expenses included in the American Opportunity Tax Credit.

"It makes taxpayers eligible to receive a tax credit of up to \$2,500 for payment of qualified tuition and related expenses — money that can be directed towards paying for the next year's tuition expenses," Chapman said. "Every family that includes a student who is planning to pursue postsecondary education in 2009 should contact their tax professional to determine how to gather the benefit of this tax credit."

Chapman added that Pell Grant amounts have been increased by Congress in recent years, as have federal loan limits.

"Every student should complete the FASFA to determine their eligibility for federal financial aid and apply for as many scholarships as possible," she said.

While savings, grants and scholarships should be utilized first, student loans are another option for covering unexpected costs associated with paying for postsecondary education. However, loans should be used wisely.

"We advise students and families to borrow only what they need to pay for school in order to minimize student loan debt after graduation," Chapman said. "They aren't required to accept the full amount offered in the award letter from the school."

She added it's a good idea to make interest payments on loans that aren't subsidized by the federal government while in school in order to avoid having that interest added to the loan principal when the loan goes into repayment.

Finally, Chapman emphasizes that all federal student loan options should be exhausted before families consider taking out private educational loans to cover the costs of higher education. Should a private loan become necessary, families should take note of the fine print, especially in terms of interest rates, fees and penalties.

For more information about paying for college, visit www.SmartAboutCollege.org.

Student Assistance Foundation is a 501(c)(3) nonprofit Montana corporation that provides students with knowledge and tools to finance and pursue their postsecondary education. Funds generated by SAF are returned to Montanans in the form of education grants and public benefit programs - to date more than \$14.7 million. For more information, visit www.safmt.org.