

Funding Your Future

A guide to college success



Caring About Your Success

S STUDENT
ASSISTANCE
FOUNDATION

www.smartaboutcollege.org

Who should apply for federal financial aid?

EVERYONE should apply for federal financial aid, whether they think they are going to need it or not. No one knows what life is going to throw at you! It's good to have a backup plan.

Even if you think you are ineligible for federal aid, you should complete the application because you may be eligible for other types of aid from states and private institutions.

Where do I start?

The road to college begins with the application process. First and foremost, students should select the schools in which they are interested and apply for admission.

How do I pay for college? Filling out the FAFSA.

Next, it's time for students to begin developing a strategy to pay for college. In many cases, that effort starts with filling out the Free Application for Federal Student Aid (FAFSA). The form is available online at www.fafsa.ed.gov.

Electronic filing of the FAFSA is the preferred method of applying for federal aid because the application can be processed at a faster rate. However, paper copies may be obtained from high school guidance offices, college financial aid offices or by calling (800) 433-3243.

In Montana, the priority filing date for the FAFSA is March 1. However, that date varies by state, so students should confirm the priority filing date for the state that pertains to them using information provided on their FAFSA.

Eight Steps to Financial Aid

- 1 Apply to a university or college by December.
- 2 Complete the FAFSA at www.fafsa.ed.gov, after Jan. 1.
- 3 Receive award letter from school.
- 4 Accept amount and types of financial aid awarded.
- 5 Select lender if taking out a student loan.
- 6 Sign master promissory note.
- 7 Financial aid (grants, loans & scholarships) applied to tuition.
- 8 Make payment arrangements for any outstanding balances due to the school.

Repeat FAFSA application process every year.

What you'll need to complete the FAFSA:

- A PIN number from the Department of Education. PIN numbers can be obtained by visiting www.pin.ed.gov. (Both parents and students will need one.)
- Driver's license number and social security number. (Both parents and students or spouses for independent students.)
- W-2 and 1099s for all income earned in the previous tax year. (Both parents and students.)
- The completed federal tax return for the previous year. (If unavailable, estimates will do, but will need to be corrected to actual amounts.)
- Bank statements
- Other asset information including stocks, bonds, IRAs, land, rental property, etc.
- The list of colleges you are considering and their Title IV school codes. These codes are available by contacting the individual colleges or on the government's FAFSA Web site.

How soon will I know how much aid I will receive?

Once the FAFSA is completed and submitted to the Department of Education, the waiting period begins. Generally, it takes between two and three weeks for electronic applications to be processed and awards determined, and about six weeks for the paper version. It's crucial that applicants **don't leave any sections blank!** That includes the section about drug convictions! Such omissions result in delays in processing. Since grants are often awarded on a first-come, first-served basis, it's important to get the application filled out correctly and completely the first time.

How is my financial aid award calculated?

Most financial aid is awarded based on need. That is determined by subtracting the student's expected family contribution (EFC), as calculated by the Department of Education, from the cost of attendance (COA).

Expected Family Contribution

The department uses information supplied on the FAFSA to determine the EFC. EFC estimators are available on the Internet for applicants who want to get a better idea of what figures will be used in their calculation. One such site is www.finaid.org/calculators.

Tip:

Prepare a conservative budget for the school year and borrow only the amount you will need. You are not required to take all of the aid that is offered to you by the financial aid office.



Cost of Attendance

COA is based on individual college policy, with dollar amounts varying among colleges. The COA usually includes tuition and fees, room and board, books, supplies, transportation and personal expenses. In addition, it may include study abroad costs, dependent care costs, expenses for disabilities and expenses for cooperative education programs.

How do I find and apply for scholarships?

Most scholarships are merit-based rather than need-based. This means they are awarded based on specific qualities such as academics, athletics and more.

It's important to note that most scholarships have application deadlines, so you should start your search early. In most cases it's best to **start applying for scholarships in the fall of the year prior to when you want to start college!**

Free scholarship information is available at a number of locations including the Internet, college financial aid/admissions offices and public/college libraries. Funds for scholarships often come from professional associations, civic organizations, colleges, universities and more.

Students and their parents should be wary of companies that charge a fee for conducting scholarship searches. **No guarantees exist** when it comes to the award of scholarships, financial advisors warn.

How does federal and state work-study apply to me?

Work-study is an effective method of helping to pay for your postsecondary education and minimize the debt burden you accumulate through student loans.



- On and off campus work-study opportunities are provided through college financial aid offices and are based on financial need. Work-study is usually awarded with a student's financial aid package on a first-come, first-served basis. However, state work-study funds are available at some colleges and jobs may be available on a non-need basis.
- The funds are earned throughout the term and aren't paid up front.
- Wages earned through work-study do not count against a student's eligibility for aid for the next school year.

What are exchange programs, and could they help me pay for college?

Exchange programs offer some students additional educational opportunities at reduced tuition rates and provide access to quality professional education programs unavailable in Montana public institutions.

- Western Undergraduate Exchange (WUE) – a program through the Western Interstate Commission for Higher Education (WICHE) – allows students in western states to enroll in many two-year and four-year college programs at a reduced tuition level. For more information, visit the WUE Web site at <http://wue.wiche.edu/> or inquire at your financial aid office.
- Washington-Wyoming-Alaska-Montana-Idaho Medical Education Program (WWAMI) – a cooperative program of the University of Washington School of Medicine that makes high-quality medical education accessible to students in northwestern states. For more information, visit the WWAMI Web site at www.uwmedicine.org/Education/WWAMI/.
- Other, similar programs exist and can be investigated by visiting the Montana Office of the Commissioner of Higher Education Web site at <http://bor.montana.edu/che/che.asp>.

Sample Financial Aid Award Letter
(actual awards will vary)

[Home](#)
[Student Messages](#)
[View Awards](#)
[Change Password](#)
[Change Email](#)
[Technical Support](#)
[Contact Financial Aid](#)
[Logout](#)

Award Detail

Sarah M Gaines

Award Information:

The individual awards in your financial aid award package are listed below. After clicking **Continue**, you may be able to accept, reject, or modify individual awards on the next page.


This is a current award

Description	Spring	Fall	Winter	Total
FFELP Subsidized Stafford Loan	\$875.00	\$875.00	\$875.00	\$2,625.00
Ment Scholarship	\$750.00	\$750.00	\$750.00	\$3,000.00
State Grant	\$350.00	\$350.00	\$350.00	\$1,050.00
Institutional Grant	\$1,000.00	\$1,000.00	\$1,000.00	\$4,000.00
Total Award	\$3,950.00	\$3,950.00	\$3,950.00	\$10,675.00

Award Budget

Below is a breakdown of the components used to calculate your estimated cost of attendance. Note that this may not be a comprehensive list of all components used in the calculation.

Books	\$250.00	Cost of Attendance	\$23,225.00
Meal Plan	\$795.00	Expected family contribution	\$5,500.00
Cost of Attendance	\$23,225.00	Financial need	\$17,725.00
		Total Award	\$10,675.00
		Unmet Need	\$7,050.00
		Unmet Cost of Attendance	\$14,000.00



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What To Do Next:

- Verify that accurate assumptions have been used to determine your awards.
- Carefully review and follow the instructions on the Data Changes Form.
- To reduce or decline all or part of your loans, you must complete and return the Data Change Form.
- The financial aid office will assume you accept the awards in full unless you submit changes immediately.
- Return corrections and required documents promptly.
- Retain this letter for your records.

Timely completion and submission of financial aid paperwork is the key to getting your financial aid on time.



What are fee waivers?

Most colleges in the Montana University System offer waivers or exemptions that pay a portion of tuition. For more information about them and whether you qualify, contact your college's financial aid office. Or, visit the Montana Office of the Commissioner of Higher Education's Web site at <http://bor.montana.edu/che/che.asp>.

Other forms of assistance

- Military service benefits – These include veterans benefits, Dependent Educational Assistance Program, Veterans Educational Assistance Program, Reserve Officer Training Corps ROTC and Reserves and National Guard loan repayment programs.
- Education tax benefits – These include the Hope credit, Lifetime Learning credit, the deduction of student loan interest, education individual retirement accounts, withdrawals from traditional or Roth IRAs for the cost of higher education, the exclusion of savings bond interest used to pay costs of higher education, employer-provided educational assistance benefits, qualified state tuition programs and more. (Contact your tax advisor for more information.)
- The Montana Family Education Savings Program – A tax-favored savings plan designed to help families prepare for college. Other, similar section 529 college savings plans are available. For more information about those, contact your financial advisor.

I received my award letter! What now?

A good rule for students is to accept grants, scholarships, work study and other supplements first.

Pell Grants

- Need-based.
- Federally funded.
- Do not have to be repaid unless the recipient withdraws from college before the first 60 percent of term is complete.
- Expected family contribution (EFC) determines eligibility.
- Available only for undergraduate education.

Federal Supplemental Educational Opportunity Grant (FSEOG)

- Need-based.
- Federally-funded.

Montana Guaranteed Student Loan Program (MGSLP) Grant

- Need-based.
- Funded by MGSLP.
- Must be a Montana resident attending an eligible college or university in Montana.

Montana Higher Education Grant (MHEG)

- Need-based.
- State-funded.
- Must be a Montana resident attending an eligible college or university in Montana.

Montana Tuition Assistance Program/Baker Grant

- State-funded.
- Student must have met earnings requirement during the prior year.
- Must be a Montana resident attending an eligible college or university in Montana.

Acce\$\$ Grant

- Privately funded by Student Assistance Foundation.
- Need-based.
- Disbursed by the financial aid offices of participating colleges in Montana.

National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)

- Available during third and fourth years of undergraduate study to full-time students who are eligible for the Federal Pell Grant.
- For students majoring in physical, life or computer sciences, mathematics technology or engineering, or in a foreign language determined critical to national security.
- Federally funded.

Academic Competitiveness Grant

- Available to first and second-year undergraduate students eligible for the Federal Pell Grant.
- Must have successfully completed a “rigorous high school program” as determined by the state or local education agency and recognized by the Secretary of Education.

What about student loans?

If grants and scholarships don't cover your costs, student loans may provide the means to bridge the gap. However, borrow only what you need! If you minimize your borrowing each year of college, it will allow you to more easily meet your obligations when you graduate.

Perkins Loans

- Federal loans issued to borrowers directly by the college.
- Based on need.
- Fixed interest rate.
- No payments required while you are in school.
- No interest accrues while you are in school, in an approved deferment or in your grace period.
- Repayment begins nine months after you leave school, graduate or drop to less than half-time attendance.
- A portion of your loan may be canceled in certain cases, such as if you teach at a low-income school following graduation. For more information, visit your campus financial aid office or go to <http://studentaid.ed.gov>.

Federal Stafford Subsidized Loans

- Based on need.
- Fixed interest rate.
- No payments required while you are in school. (Interest is paid by the federal government while you are in college, during an approved deferment period and during your grace period.)
- Repayment begins six months after you leave college, graduate or drop to less than half-time attendance.

Federal Stafford Unsubsidized Loans

- All full-time students are eligible.
- Fixed interest rate.
- Interest starts to accrue immediately upon disbursement and continues throughout your grace period and in approved deferment.
- Repayment begins six months after you leave college, graduate or drop to less than half-time attendance.
- Interest that is not paid while you are in school will be added to the principal of the loan when you enter repayment.

Federal Graduate PLUS Loans

- Available to all students who have earned a bachelor's degree and are pursuing a graduate degree.
- Fixed interest rate.
- Interest starts to accrue immediately upon disbursement.
- Repayment begins 30 to 45 days after disbursement of the entire loan amount. (You may qualify for in-school deferment status as long as you are attending college half time.)
- Student must meet minimal credit requirements.

PLUS Loans (Parent Loans for Undergraduate Students)

- Available to parents of undergraduate students.
- Fixed interest rate.
- Parent is responsible for the repayment of the loan.
- Repayment begins 30 to 45 days after disbursement of the entire loan amount.
- Borrower must meet minimal credit requirements.

Private Loans

- Offered by some student loan lenders.
- Terms vary depending on the lender.



Now that I know how I'm going to pay for school, how do I choose a major?

College campuses offer many different and interesting options for degrees, and many college students have difficulty determining which degree program to enter. Here are some tips to help you figure out the best career path for you:

- Consider your interests. (Do you like numbers? Do you like working with people?) Various tests are available through your guidance counselor to help you identify career fields in which you can apply your interests.
- Think about how much money you would like to earn after graduation and compare that with the career paths in which you are interested. A good resource for this type of information is the U.S. Department of Labor Bureau of Labor Statistics Web site located at www.bls.gov.
- In Montana, the Montana Career Information Services Web site is particularly helpful and can be accessed from www.smartaboutcollege.org.
- Seek out opportunities to get experience in your areas of interest such as internships, job shadow programs, volunteer work and more.
- Consider the requirements of pursuing a major in your interest area. Research how much schooling will be necessary and how much it will cost.

What are some other items I should consider as I embark on my higher education?

Cost of Living

Cost of living expenses are the expenses incurred for basic living such as rent, utilities, food and school costs. The table on page 11 shows average cost of living expenses in Bozeman, Billings and Missoula. Remember, your lifestyle choices greatly affect your cost of living expenses!

What can I do to control my living expenses?

College is often a time when students learn how quickly money in the bank can disappear. One way to avoid overspending is to track earning and spending on a weekly, monthly or quarterly basis. A spending plan (also known as a budget) is helpful in planning income and spending.

A spending plan is designed to estimate the amount of income and expenses that will be earned and spent over a period of time. These plans also help track actual income and expenses. A good spending plan will help you compare estimated and actual data in order to readjust estimates for the next time period.

Some reasons you should adopt a spending plan include:

- Helps you meet your financial goals.
- Provides guidance to help you live within your income.
- Reduces the need for using credit and incurring debt.
- Helps you track income and expenses.

Here is a sample chart you can use and adapt to keep track of your spending practices:

	BOZEMAN	BILLINGS	MISSOULA
Tuition and fees			
In-state	\$4,577	\$4,550	\$4,614
Out-of-state	\$14,177	\$12,831	\$12,872
Books	\$930	\$800	\$900
Health insurance	\$1,254	\$1,150	\$1,090
On campus parking	\$65-\$126	\$22-\$75	\$73- \$146
Student ID (one time fee)	\$15	\$15	\$15
Room and board (on campus)	\$5660-\$6646	\$3920-\$4900	\$5216-\$6836
Rent (off-campus)			
1 Bedroom	\$400-\$1000/mo.	\$300-\$450/mo.	\$300-\$525 mo.
2 Bedroom	\$485-\$1000/mo.	\$400-\$550/mo.	\$350-\$695/mo.
3 Bedroom	\$900-\$1200/mo.	\$550-\$800/mo.	\$400-\$900/mo.
Utilities	\$96/month	\$88 per month	\$81/month
Phone			
Cell Phone	\$20-\$150/mo	\$20-\$150/mo.	\$20-\$150/mo
Landline	\$20-\$50/mo.	\$20-\$50/mo.	\$20-\$50/mo.
Food allowance	\$134-\$291/mo.	\$134-\$291/mo.	\$134-\$291/mo.

Choosing a financial institution

Managing your cash will involve having a bank account. While some students choose to keep the account from a bank back home, others find it more convenient to bank in the community in which their school is located. Here are some items to consider when selecting a financial institution:

- Many national financial institutions are located throughout the country, making their services available in many locations.
- Local financial institutions usually have fewer branches and are only located in certain regions of the country. However, you may get more personalized service.
- Online financial institutions are only accessed online and offer some of the same services as traditional financial institutions. A benefit of an online financial institution is access to your account no matter where you are, 24 hours a day.
- Many schools have banks conveniently located on campus. However, comparison shopping for your banking needs is still a good idea.

This chart shows the differences between banks and credit unions:

BANK	CREDIT UNION
<ul style="list-style-type: none">• For-profit organization• Offers checking and savings accounts, loans, credit cards, investments and advice• Operates under state and federal laws• Usually insured by the FDIC up to \$100,000	<ul style="list-style-type: none">• Non-profit cooperative institution• Offers share accounts (similar to a bank's checking or savings accounts)• Members usually have a common bond such as being residents of a particular county or city• Usually charge lower fees, lower loan rates, and offer higher interest rates than banks• Share accounts are covered by NCUA up to \$100,000

Some other items to be aware of when opening an account include:

- Accounts that require a minimum balance may incur a fee if the balance dips below that amount.
- Other fees may include monthly fees, membership fees, overdraft fees, ATM fees and debit card use fees.
- If a student account is available, the fees and minimum balance requirements may be less.

Credit Cards

Credit card companies work hard to make college freshmen their customers, and for good reason. Studies show that 45 percent of college students carry credit card debt. However, credit cards aren't always a bad thing.

Advantages:

- Can be helpful to establish good credit rating if used responsibly.
- Can be useful in emergency situations.
- Provide an additional form of identification.
- Are often required to hold a hotel or travel reservation.

Disadvantages:

- Can damage credit rating if mismanaged.
- May present the opportunity for impulsive buying.
- Are an expensive way to borrow due to high interest rates, hidden fees and surcharges.
- They open you up to identity theft.

How do I avoid getting into trouble with my credit card?

- Avoid getting to a point where you can't pay off your credit card bill in full in a month or two.
- Save up for expensive items, pay them off at the end of the month and avoid paying interest.
- If you do acquire debt, pay down the items that charge the most interest first. Once that debt is paid, move on to the next highest, and so on.
- Remember, if you do get into trouble, all is not lost. Plenty of reputable debt counseling services are available and can help you get ahead of the debt collectors.

Sample Budget

INCOME			
Item	Planned/Est.	Actual	Difference
Wages or Salary (before withholding)			\$
Scholarship/grants			\$
Other			\$
<i>Total Income</i>	\$	\$	\$
EXPENSES			
Fixed Expenses	Planned/Est.	Actual	Difference
Savings & investments			\$
Housing (rent/mortgage)			\$
Automobile loan payments			\$
Student loan payments			\$
Other loan payments			\$
Tuition			
Homeowners/renters insurance			\$
Television			\$
Internet bill			\$
Other			\$
<i>Total Fixed Income</i>			\$
FLEXIBLE EXPENSES			
Flexible Expenses	Planned/Est	Actual	Difference
Food			
Eating out/snacks			
Utilities (gas, electricity, water, garbage)			
Telephone			
Gasoline			
Spending money			
Education/books			
Entertainment and recreation			
Gifts			
Contributions			
Credit card payment			
Other			
<i>Total Flexible Income</i>	\$	\$	\$
<i>Total Expenses</i>	\$	\$	\$

Identity theft is becoming more common. What is it and how can I avoid becoming a victim?

Identity theft is when a person steals another person's identity by obtaining personal or financial information including bank account numbers, credit/debit card numbers and social security numbers. Identity thieves use that information to create a phony identity.

Identity theft affects you because thieves can:

- Use your money to go on spending sprees.
- Open new credit accounts using your personal information resulting in delinquent bills and bad credit history.
- Give your name and information to police during an arrest.

You can avoid becoming a victim by:

- Guarding your personal information such as bank account information, credit card numbers and social security number.
- Reporting the theft of your purse or wallet to the police, your bank, credit card bureaus and credit card companies.
- Refraining from giving out any of your personal information over the phone unless you initiated the phone call.
- Avoiding responding to e-mails that ask you to confirm personal information such as bank account numbers, etc. and by checking the security of Web sites by looking at the bottom of the browser's window for an icon of an unbroken key or a lock that is closed, golden or glowing.

If you are a victim of identity theft:

- Contact the police and file a report.
- Close all financial accounts.
- Replace your driver's license and other government-issued identification. Ask the agency to flag your file so no one else can get identification in your name.
- File a complaint with the Federal Trade Commission online or call (877) IDTHEFT.
- Call the three major credit reporting agencies and place an initial fraud alert on your credit reports. This alert will help prevent someone else from opening an account in your name. Call Equifax at (800) 525-6285, Experian at (888) 397-3742 and Transunion at (800) 680-7289.

Take the journey.

The prospect of funding and pursuing higher education can be daunting. However, if students and their parents accept each challenge as it comes, and draw upon the resources available to them, it can be a productive journey that could result in a lifetime of benefits.

Internet and World Wide Web Resources

Student Assistance Foundation

www.safmt.org

www.smartaboutcollege.org

College Searches

www.collegenet.com

www.collegexpress.com

EFC Calculators

www.finaid.org/calculators

FAFSA On The Web and US Department of Education

www.fafsa.ed.gov

FAFSA PIN

www.pin.ed.gov

Financial Aid Links and Information

www.studentaid.ed.gov

Free Financial Counseling Service

Student Advocates for Financial Education (\$afe)

www.safe.montana.edu

Hope and Lifetime Learning Tax Credits

www.irs.gov/publications/p970/index.html

Montana University System information

www.montana.edu

Montana Family Education Savings Program

<http://montana.collegesavings.com>

Montana Guaranteed Student Loan Program

www.mgslp.org

Scholarship Searches

www.collegeboard.org

www.fastweb.com

www.scholarships.com

www.smartaboutcollege.org

Student Loan Information

Mapping Your Future

www.mapping-your-future.org

U.S. Bank Student Banking

www.usbank.com/studentloans

Wells Fargo

www.wellsfargo.com/student

Important Contact Information

For information on Federal Financial Aid or to order a FAFSA

Federal Student Aid Information Center

PO Box 84, Washington, DC 20044

(800) 433-3243 (800-4-FED-AID)

To check on the status of your FAFSA

Department of Education: (319) 337-5665 M-F 9am to 8pm Eastern Time

For information about resolving student loan disputes and other problems

Federal Student Aid (FSA) Ombudsman

U.S. Department of Education, FSA Ombudsman

830 First Street, NE, Fourth Floor, Washington, DC 20202-5144

(877) 557-2575, Fax: (202) 275-0549, Web: www.ombudsman.ed.gov

Student loan information

College Access Hotline

(800) 610-1479

KnowHow2Go

www.KnowHow2GO.org

Montana Higher Education Student Assistance Corporation (MHESAC)

www.mhesac.org, www.montanaschoiceloans.org

Student Assistance Foundation

2500 Broadway, Helena, MT 59604

(800) 852-2761, Fax: (406) 495-7880

Web: www.smartaboutcollege.org, Customer service: www.safmt.org

U.S. Bank Student Banking

300 Central Avenue, Great Falls, MT 59401

(800) 242-1200, Web: www.usbank.com/studentloans

Wells Fargo Education Financial Services

301 East 58th Street North, Sioux Falls, SD 57104-0422

(800) 658-3567, Web: www.wellsfargo.com/student

For general information on the Montana University System and WICHE, WWAMI, WUE and Minnesota Dental Programs

The Office of the Commissioner of Higher Education

P.O. Box 203101, Helena, MT 59620-3101

(406) 444-6570, Fax: (406) 444-1469, Web: www.montana.edu/wwwami/index.html

For loan disbursement questions, loan application questions, FAFSA forms, state grants and state scholarships.

Montana Guaranteed Student Loan Program (MGSLP)

PO Box 203101, 2500 Broadway

Helena, MT 59620-3101

Toll free: (800) 537-7508, (406) 444-6594, Fax: (406) 444-1869

E-mail: custserv@mgslp.org, www.mgslp.org

Glossary of Financial Aid Terms

COA - Cost of Attendance. The total estimated amount, including personal expenses, that it will cost you to go to college. It is usually expressed as a yearly figure. COA is used to calculate need.

DEFERMENT - A postponement or delay of payment obligation. Student borrowers have the option to defer payments during periods while they are in college, periods of unemployment, periods of financial hardship, etc. Check with your lender or servicer for specific deferment eligibility criteria. Interest accrued while a subsidized loan is in deferment is paid by the federal government or "ED".

DEPENDENT STUDENT - This is determined by completing the FAFSA. EFCs for dependent students are calculated using the student and parent income and household data.

EFC - Expected Family Contribution. The number that is found on the ISIR or SAR which is used by the Financial Aid Office to determine your Pell Grant eligibility and the amount of your financial need. EFC is calculated from the financial information you submitted on the FAFSA.

FAFSA - Free Application for Federal Student Aid. Can be paper or electronic version.

FDSLPL - Federal Direct Student Loan Program. Also referred to as William D. Ford Direct Loans. Loans are funded through federal budget and disbursed directly to the college.

FFELP - Federal Family Educational Loan Program. Also referred to as The Guaranteed Student Loan Program. Loans are funded by private businesses (banks, credit unions, secondary markets) and guaranteed by the federal government.

FORBEARANCE - A postponement or delay of payment obligation. At the lender's discretion, borrowers may be granted a period of forbearance if they do not qualify for a deferment. Interest accrued during a forbearance is either paid by the borrower or it is added to the principal amount of the loan at the end of the forbearance.

FSEOG - Federal Supplemental Educational Opportunity Grant. Federally funded grant used to help equalize funding for students with the lowest EFCs.

FULLTIME ENROLLMENT - Taking at least 12 college credits for the term.

FWS - Federal Work Study. Campus and community employment that is federally funded. Need-based aid.

GRADUATE PLUS LOAN - For graduate students. Can be either FFELP or FDSLPL loan. A graduate student can borrow this loan after taking out all Stafford loans he/she is eligible for.

GRANT - Financial aid money that does not have to be repaid.

HALF-TIME ENROLLMENT - Taking 6 to 11 credits for the term.

INDEPENDENT STUDENT - This is determined by completing the FAFSA. EFCs for independent students are calculated using only the student's and spouse's household income.

ISIR - Institutional Student Information Report. It is the same as the SAR except the college receives it electronically from the Department of Education.

Glossary of Financial Aid Terms (Cont'd)

MASTER PROMISSORY NOTE - Also referred to as "MPN," "prom note" or just "note." Legally binding agreement to repay a loan. Each master promissory note is good for 10 years of borrowing at most colleges; this eliminates the need to sign a new note each school year.

MHEG - Montana Higher Education Grant. State-funded grant used to help equalize funding for students with lowest EFCs.

NEED BASED - Financial aid that has its eligibility determined by financial need. Financial need, or need, is calculated by subtracting Expected Family Contribution (EFC) from Cost of Attendance (COA).

PART-TIME ENROLLMENT - Taking less than 12 college credits for the term.

PERKINS LOAN - Low interest rate loan for students with the lowest EFCs. Perkins loans are administered by the college.

PLUS LOAN - Parent Loan for Undergraduate Students. Can be either FFELP or FDSLPL loan. A parent can borrow this loan for a dependent student.

SAP - Satisfactory Academic Progress. Federal student loan regulations require that students maintain minimum grade point averages and earn a certain amount of credits per semester according to their school's standards.

SAR - Student Aid Report. The report you receive from the Department of Education after submitting your FAFSA. The report contains the Expected Family Contribution (EFC).

STAFFORD SUBSIDIZED LOAN - Can be either FFELP or FDSLPL loan. Interest accrued on the loan is paid by the Department of Education while a borrower is in college, during an authorized deferment, or during the grace period. Subsidized loans are need-based.

STAFFORD UNSUBSIDIZED LOAN - Can be either FFELP or FDSLPL loan. The interest is the borrower's responsibility to pay.

VERIFICATION - Some FAFSAs are selected to be verified. If your FAFSA is selected randomly by the Department of Education for verification, proof of financial information will be required by the college you are attending prior to your receiving any financial aid. If you attend more than one institution, each college may require documentation for verification.



Caring About Your Success

If success means getting an education beyond high school, there's help. Check out the Web sites below to find information on:

- Financial aid information
 - **Montana's Choice*** Stafford, Parent PLUS, Graduate PLUS and consolidation loans
 - Private education loans
 - One-on-one consultations
 - Scholarship search
- AND MORE!**

[cut here to make bookmark]

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*Montana's Choice is sponsored by MHESAC (Montana Higher Education Student Assistance Corporation). MHESAC is a nonprofit corporation based in Helena, Montana. It was established for the sole purpose of helping students finance their higher education. MHESAC's loans are serviced by its business manager, Student Assistance Foundation.



Student Assistance Foundation
2500 Broadway • Helena, MT 59604

www.smartaboutcollege.org
www.montanaschoiceloans.org