About MEFA

Not-for-profit state authority created in 1982 helping families plan, save, and pay for college

Keeping you on track with FREE college planning:
• Visit mefa.org: Information, tools, & resources
• Call us: (800) 449-MEFA (6332)
• Email us: collegeplanning@mefa.org
• Follow us: Facebook, Twitter, & LinkedIn
• Get our emails: Sign up on mefa.org
• Attend a seminar: Details at mefa.org/events
• Attend a webinar: Register at mefa.org/events

Welcome

Congratulations on your college acceptances, students and parents!
This Seminar Will Help You To...

- Understand your financial aid awards
- Know your options if you haven’t applied for aid
- Learn how to calculate the balance due
- Determine options for paying the college bill
- Develop an action plan for this year and beyond

Merit-Based vs. Need-Based Aid

<table>
<thead>
<tr>
<th>Merit-Based Aid</th>
<th>Need-Based Aid</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Awarded in recognition of student achievements (academic, artistic, athletic, etc.)</td>
<td>• Awarded based on family’s financial eligibility</td>
</tr>
<tr>
<td>• Criteria differ from school to school</td>
<td>• Determined by standardized formula</td>
</tr>
<tr>
<td>• Often has requirements for renewal</td>
<td>• Very likely not to receive full amount of eligibility</td>
</tr>
<tr>
<td></td>
<td>• Includes most federal, state, and institutional (college) aid</td>
</tr>
</tbody>
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Understand Your Financial Aid Awards

- Types of aid:
  - Grants/Scholarships
  - Work-study
  - Loans
- Sources of aid:
  - Federal
  - State
  - Colleges
- Financial aid award letters look different!
- Accept all or part by May 1st
Federal Direct Student Loans

- Student is the borrower – no credit check
- Fixed interest rate changes annually: 5.05% for 2018-19
- Two types:
  - Subsidized: Interest accrues after student leaves school
  - Unsubsidized: Interest accrues immediately
- 1.062% fee deducted from loan amount
- Promissory Note & Entrance Counseling: StudentLoans.gov
- No payments while in school and several repayment options

<table>
<thead>
<tr>
<th>Annual Loan Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freshman Year</td>
</tr>
<tr>
<td>Sophomore Year</td>
</tr>
<tr>
<td>Junior Year</td>
</tr>
<tr>
<td>Senior Year</td>
</tr>
</tbody>
</table>

Verification

- Colleges verify data on financial aid applications
- Students selected by Department of Education or college
- Must comply with all requests to receive financial aid
- Families must submit additional documentation:
  - Tax Return Transcript
  - Verification Worksheet
  - Asset Account Statements
- Review all correspondence from colleges
- Log into college web portal for communications

If You Have Not Applied For Aid

Federal & state financial aid is still available by filing the FAFSA. The Massachusetts deadline is May 1st.

Many college financial aid deadlines have passed, but payment plans are open to all, and anyone may apply for private loans.
A Word About the Waitlist

- Some schools have a very long list and never accept a student from it
- Those accepted off the waitlist may receive minimal financial aid
- Remember to submit an enrollment deposit at another school (usually non-refundable)

Steps to take when on the waitlist:
1. Formally accept spot on the waitlist
2. Write a short note to the admissions counselor
3. Update the school with recent grades and awards
4. Keep in touch with the school over social media

Calculating the Balance Due

College charges = Financial aid & enrollment deposit = Balance due

College Charges
- Tuition
- Fees
- Room
- Board/Meal Plan
- Health Insurance

mefa.org/my-college-cost-calculator

Past Income

- 529 College Savings Plans
- Prepaid Tuition Plans
- Savings Bonds
- Stocks
- CDs
- Student Bank Accounts
- Other Investments
Utilizing Savings from the U.Plan and U.Fund

- U.Plan Distribution Request Forms will be mailed in April
- Questions?
  - Email collegeplanning@mefa.org
  - Call (800) 449-MEFA (6332)
- Visit fidelity.com/saving-for-college/529-plan-distributions to:
  - Obtain a 529 College Investing Plan Distribution Form
  - Set up BillPay® to send funds directly to the college
- Questions?
  - Call (800) 544-2776

Present Income

Consider using an interest-free monthly payment plan

- Pay over 5 to 12 months
- No interest charges or credit requirements
- Minimal enrollment fee
- Great option to minimize borrowing
- Plans typically begin in May, June, or July
- Contact the college for more information

Future Income

Be a Wise Borrower:

- Know your credit history
- Borrow only what you need
- Think in terms of total enrollment (4+ years) and total debt
  - Consider the post-graduation monthly repayment
- Consider major/career, employment rates, & starting salary

Understand:

- Fixed or variable interest rate
- Repayment timeline
- Primary borrower
- Multiple credit inquiries in a short period only count as one inquiry

If you have questions about borrowing, attend our Comparing Loan Options webinar

- Monday, June 3rd @ noon
- Tuesday, July 9th @ noon
Create a Financing Strategy

A Pathway to Paying the Balance Due

<table>
<thead>
<tr>
<th>Balance Due</th>
<th>$20,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid/Income Savings</td>
<td></td>
</tr>
<tr>
<td>Student Savings</td>
<td>-$1,000</td>
</tr>
<tr>
<td>Parent Savings</td>
<td>-$4,000</td>
</tr>
<tr>
<td>Present Income (Current Wages)</td>
<td></td>
</tr>
<tr>
<td>Parent Contribution to Payment Plan</td>
<td>-$5,000</td>
</tr>
<tr>
<td>Future Income (Borrowing College Loans)</td>
<td></td>
</tr>
<tr>
<td>Education Loan</td>
<td>-$10,000</td>
</tr>
</tbody>
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Timing: Paying Your College Bill

- Fall semester bill: sent in June or July, due in July or August
- Apply for educational loans at least 2 weeks before bill deadline
- Set up payment plans according to the college schedule
Private Scholarships

- Check with school counselors for local scholarship info
- Never pay to apply for a scholarship
- Community organizations, foundations, non-profits, and corporations all offer scholarships

Search online:
- mefapathway.org
- CollegeBoard.org
- Fastweb.com
- StudentScholarshipSearch.com
- Follow MEFA on Facebook and Twitter for scholarship alerts

Paying for College in MA: You Have Options

MassTransfer: mass.edu/masstransfer

- Gen Ed Foundation:
  - Guaranteed credit transfer from community college to 4-yr public MA school
- A2B Degree:
  - Guaranteed credit transfer from community college to 4-yr public MA school
  - No application fee or essay
  - Guaranteed admission and tuition credit based on GPA
- A2B & Commonwealth Commitment:
  - Guaranteed credit transfer from community college to 4-yr public MA school
  - No application fee or essay
  - Guaranteed admission based on GPA and space permitting
  - Tuition credit for two years in day program if 3.00 GPA maintained
Tuition Break: nebhe.org/programs-overview/nap-tuitionbreak/overview
  - Reduction on out-of-state tuition costs at New England schools
  - For programs not offered in your home state

Financial Aid Office as a Resource

- Learn about your financial aid:
  - Financial aid renewal criteria
  - Treatment of private scholarship
- Ask about special considerations:
  - Can I appeal my award?
  - Changes in family circumstances
- Find out additional details:
  - Open House and Orientation programs
  - Additional financial resources
- Financial Aid Office
- Ways to get in touch:
  - Financial aid office website
  - In-person meeting
  - Phone call
  - Email
What's Next?

• Pay your enrollment deposit by May 1 (if required)
• Make plans to attend Orientation
• Create a plan as a family to pay the balance due
• Utilize MEFA as your resource
  — Sign up for MEFA emails to stay on track
  — Use tools on mefa.org: webinars, calculators, videos
  — Take advantage of one-on-one counseling with the MEFA team
    - Phone: (800) 449-MEFA (6332)
    - Email: collegeplanning@mefa.org

Connect with MEFA on Social Media

facebook.com/mefaMA
@MEFAtweets
linkedin.com/company/mefa
youtube.com/MEFAcounselor

Thank You

Questions?

(800) 449-MEFA (6332)
collegeplanning@mefa.org
mefa.org/collegebound2019