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About MEFA

- Not-for-profit state authority created in 1982
- Helping families plan, save, and pay for college
- Keeping you on track with college planning:
  - [mefa.org](http://mefa.org): Information, blog, tools, & resources
  - Emails**: Sign up on [mefa.org](http://mefa.org):
  - Seminars**: Details at [mefa.org/events](http://mefa.org/events)
  - Webinars**: Register at [mefa.org/events](http://mefa.org/events)
  - Facebook, Twitter, & LinkedIn** [#COLLEGEBOUND2018](https://twitter.com/MEFA)

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Welcome

*Congratulations on your college acceptances, students and parents!*

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**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



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**Merit-Based vs. Need-Based Aid**

**Merit-Based Aid**

- Awarded in recognition of student achievements (academic, artistic, athletic, etc.)
- Criteria differs from school to school
- Often has requirements for renewal

**Need-Based Aid**

- Awarded based on family's financial eligibility
- Determined by standardized formula
- Very likely not to receive full amount of eligibility
- Includes most federal, state, and institutional (college) aid

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**Understand Your Financial Aid Awards**

- Types of aid:
  1. Grants/Scholarships
  2. Work-study
  3. Loans
- Sources: federal, state, & colleges
- Financial aid award letters look different!
- Accept all or part by May 1<sup>st</sup>

SAMPLE UNIVERSITY

Dear Mr. Smith:

**GENERAL INFORMATION:**  
The Office of Financial Aid has prepared this statement using the following criteria:  
Academic Level: Undergraduate Freshman  
Department: Business Administration  
College: College of Business  
Major/Program of Study: Bachelor of Science in Business Administration  
Residence: Out-of-State  
Enrollment Status: Full-time

**ESTIMATED COST OF ATTENDANCE:**

Tuition and Fees	\$8,000.00
Room and Board	\$5,000.00
Books and Supplies	\$1,000.00
Personal and Miscellaneous	\$1,000.00
<b>Total</b>	<b>\$15,000.00</b>

**AWARD**

Description	Fall	Spring	Total	Accepted FTA
State Grant - Merit	\$1,000.00	\$1,000.00	\$2,000.00	100%
Federal Pell Grant	\$800.00	\$800.00	\$1,600.00	100%
College of Business Scholarship	\$800.00	\$800.00	\$1,600.00	100%
College of Business Merit Scholarship	\$800.00	\$800.00	\$1,600.00	100%
Federal Work-Study (FWS)	\$1,000.00	\$1,000.00	\$2,000.00	100%
Federal Direct Loan - Unsubsidized	\$1,000.00	\$1,000.00	\$2,000.00	100%
Federal Direct Loan - Subsidized	\$1,000.00	\$1,000.00	\$2,000.00	100%
Federal Direct Loan - Unsubsidized	\$1,000.00	\$1,000.00	\$2,000.00	100%
<b>Total</b>	<b>\$8,400.00</b>	<b>\$8,400.00</b>	<b>\$16,800.00</b>	

If all of the information on this award letter is incorrect, please contact the Office of Financial Aid in writing at 123 Main St., Box 1000, Stateville, IL 60150.

Office of Financial Aid  
Sample University, 123 Main St., Box 1000, Stateville, IL 60150  
(630) 555-1234

This example is an estimate only.

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### A Word About the Waitlist

- Some schools have a very long list
- Must submit enrollment deposit at another school
  - This is usually non-refundable
- Accepted off the waitlist = minimal financial aid
- Steps to take when on the waitlist:
  - Formally accept spot on the waitlist
  - Write a short note to the admissions counselor
  - Update the school with recent grades and awards
  - Keep in touch with the school over social media



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### Calculating the Balance Due

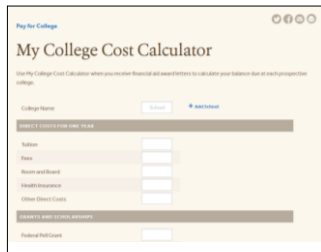
$$\text{College charges} - \text{financial aid} + \text{enrollment deposit} = \text{balance due}$$

#### College charges:

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

#### Don't forget incidentals:

- Books
- Transportation
- Laptop
- Personal expenses



[mefa.org/my-college-cost-calculator/](http://mefa.org/my-college-cost-calculator/)

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### Past Income: Savings

- 529 College Savings Plans
- Prepaid Tuition Plans
- Savings Bonds
- Stocks
- CDs
- Student Bank Accounts
- Other Investments



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Utilizing Savings from the U.Plan and U.Fund

U.Plan Prepaid Tuition Program

- U.Plan Distribution Request Forms will be mailed in April
- Questions?
  - Email [info@mefa.org](mailto:info@mefa.org)
  - Call (800) 449-MEFA (6332)



U.Fund College Investing Plan

- Visit [fidelity.com/saving-for-college/529-plan-distributions](http://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



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Present Income: Salary

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

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Future Income: Private Loans

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
- Attend our Comparing Loan Options Webinar
  - Wednesday, June 6th @ noon
  - Tuesday, July 10th @ noon

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Create a Financing Strategy

### Loan Payment Calculator

Use our Loan Payment Calculator to determine your total cost and monthly payment on an **undergraduate MEFA loan**. To minimize borrowing, we also recommend that you consider using your college's interest-free monthly payment plan to pay for a portion of your college costs. Talk to your college financial aid office for further details.

Amount to finance per year:  Years before graduation:

	Immediate Repayment 10 Years	Immediate Repayment 15 Years	Interest-Only Repayment 15 Years	Deferred Repayment 15 Years	Student/Deferred with Co-Borrower Repayment 15 Years
MONTHLY PAYMENT					
TOTAL COST OF LOAN					
APPLY RATE (ON-BOARD)	4.69%	5.00%	6.00%	6.25%	7.00%
APPLY RATE (OFFER)	5.54%	5.94%	6.94%	7.25%	8.00%
APY	5.87% (5.54% + 0.33%)	6.17% (5.94% + 0.23%)	7.16% (6.94% + 0.22%)	7.38% (7.25% + 0.13%)	7.88% (7.88% + 0.00%)

[mefa.org/loan-payment-calculator/](http://mefa.org/loan-payment-calculator/)

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The Benefits of Education Loans

**MEFA Undergraduate Loan**

- Fixed interest rates
- Starting at **4.69%** (APR 5.81-6.18%)
- For MA residents attending college anywhere or students attending college in MA
- **Family loan:** student and parent or other credit-worthy borrower are co-borrowers and share responsibility
- Credit-based
- Multiple repayment options
- Origination fee: 4%

**Federal Direct Parent Loan (PLUS)**

- **7% fixed interest rate**
- Requires filing the FAFSA
- Parent or custodial step-parent is borrower
- Credit-based
- Repayment begins in spring semester or after graduation
- Origination fee: 4.264%

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A Pathway to Paying the Balance Due

Balance Due		\$20,000
<i>Past Income (Savings)</i>		
	Student Savings	-\$1,000
	Parent Savings	-\$4,000
<i>Present Income (Current Wages)</i>		
	Parent Contribution to Payment Plan	-\$5,000
<i>Future Income (Private College Loans)</i>		
	Education Loan	-\$10,000
		<b>\$0</b>

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### Timing: Paying Your Bill

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



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### Private Scholarships

- Check with guidance counselors for local scholarship info
- Search online
  - mefapathway.org
  - Fastweb.com
  - GoodCall.com
  - StudentScholarshipSearch.com
- Never pay to apply for a scholarship
- Follow MEFA on Facebook and Twitter for scholarship alerts

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### Financial Aid Office as a Resource

#### Learn about your financial aid

- Financial aid renewability criteria (financial, academic)
- Treatment of private scholarships

#### 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

#### Use every avenue

- Financial Aid Office website
- In-person meeting
- Phone call

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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: **info@mefa.org**

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Connect with MEFA on Social Media



Another great place to get your questions answered!



#COLLEGEBOUND2018

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Thank You

# Questions?

**mefa.org/collegebound2018**  
**(800) 449-MEFA (6332)**  
**info@mefa.org**



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