

Paying for College

When considering the options to pay for school, remember free money first, your money second and borrowed money last.

01

Free Money

Scholarships and Grants

Types & Tips

Nonconditional Scholarship/Grant

Free money without any requirements. Typically grants are need-based while scholarships are merit-based.

Conditional Scholarship/Grant

Scholarship or grant with conditions you must meet or you will lose the aid and possibly even owe money back. Check if your assistance has any requirements and what the penalty is for not meeting those conditions.

02

Your Money

Savings, Work Study or a Job

Types & Tips

Savings

Common college savings products have different allowable uses and restrictions. Match the savings account to the educational expense, and use the most restrictive account first.

Federal Work Study

Offered as part of your federal financial aid, work study provides part-time jobs for students with financial need.

Job

Make sure you find a job that allows you to balance your class load and your workload.

03

Their Money

Federal and Private Student Loans

Types & Tips

Federal Student Loans

Use all federal loan options before considering a private loan. Federal loans have many benefits and protections that private loans do not offer, such as low fixed interest rates, flexible repayment plans, loan cancellation for certain employments, forbearance and deferment options.

Types of federal loans include:

- **Federal Perkins Loan** - based on financial need and availability of funds at the college
- **Direct Subsidized Loan** - no interest charged while enrolled at least half-time
- **Direct Unsubsidized Loan** - interest accrues immediately
- **Direct PLUS Loan** - parent loan, borrower must not have a negative credit history, and interest accrues immediately

Private Student Loans

Private student loans can have high variable interest rates and are not required to offer the same repayment benefits as federal student loans. Private loans generally cost more and typically require a credit check. Private loans should only be considered as a last resort.

