

Paying for College

Most college students in today's society pay for college using resources other than cash. With the cost of tuition rising sharply in accordance with the cost of living, the price to attend college is out of reach, unless you consider other financing options that are available to most students. No matter which alternatives you choose, you should still fill out the FAFSA, Free Application for Federal Student Aid, as well as any forms required by your school.

LOANS

Most students turn to some type of loan to cover the cost of their college tuition. These loans can be used, not only for tuition, but for books and other educational related expenses as well.

- Stafford Loans: These are loans that are available to most students regardless of income and credit history. They are either subsidized or unsubsidized depending on your financial need, which is determined by the government. If your Stafford loan is subsidized, then the U.S. Department of Education will pay any interest that accrues on your loan while you are in school or while the loan is in deferment. If your loan is unsubsidized, then you, as a student, are responsible for the interest. These are not need-based loans, however there are borrowing limitations depending on your enrollment status and class (freshman, sophomore, etc.).

- PLUS Loans: If you are a dependent student, your parents can apply for a federal PLUS loan to cover the expense of your college education. PLUS loans are credit based, therefore your parents should have a good credit history in order to be approved for these types of loans.

- Perkins Loans: These are low-interest loans available to students based on financial need. The U.S. Department of Education distributes funds to different schools for use in the Perkins program. The individual schools will then use the government formula to determine which students need the loans the most. Some schools will allocate some of their own funds to this program as well.

- Private Loans: When all other loan options have been exhausted, you can always apply for private educational loans. These can be obtained from any bank or credit union. These loans are not need based; however they are credit based. Therefore it is wise to apply with a co-signer if you do not meet the income and credit requirements.

GRANTS

Educational grants are funds that are allocated to students that meet the requirements of the giver. Some schools are given money by donors to use for their grant program. The federal government provides a PELL GRANT to financially needy undergraduate students. Grants do not have to be repaid.

SCHOLARSHIPS

Scholarships are financial awards based on a student's academics or other requirements, depending on the benefactor. Student's can apply for scholarships through companies, states, or even through their own college. These also do not have to be repaid and are not usually based on any type of financial need.

WORK STUDY

Have you ever wondered how that one student you know got that job in the school bookstore? It was most likely given to them through a federal work-study program. This is when a student is given a part-time job, usually on campus and the earnings from the job are allocated to pay for the student's tuition. These jobs are usually awarded to financially needy students first and then any and all other students if jobs remain available.

As stated before, you must fill out the FAFSA to be eligible for Stafford Loans, Work Study, grants and even some scholarships. Check with your school for additional paperwork regarding any of these alternative resources as well as a complete list of scholarships available.

