



Higher Education  
Services Corporation

# You Can Pay for College

A GUIDE TO FINANCIAL AID

# Achieve your dreams of a college education. Get financial



Don't rule out a particular college or decide not to go to college at all based on cost alone. Financial aid – money that helps you pay your college costs – can help you fund your college dream. Financial aid is available and comes from a variety of sources:

- Federal government
- State government
- Colleges
- Private organizations, clubs, and associations



Your College Costs Are More Than Just Tuition:

- Tuition
- Room and board
- Books
- Fees
- Supplies
- Transportation
- Personal living expenses

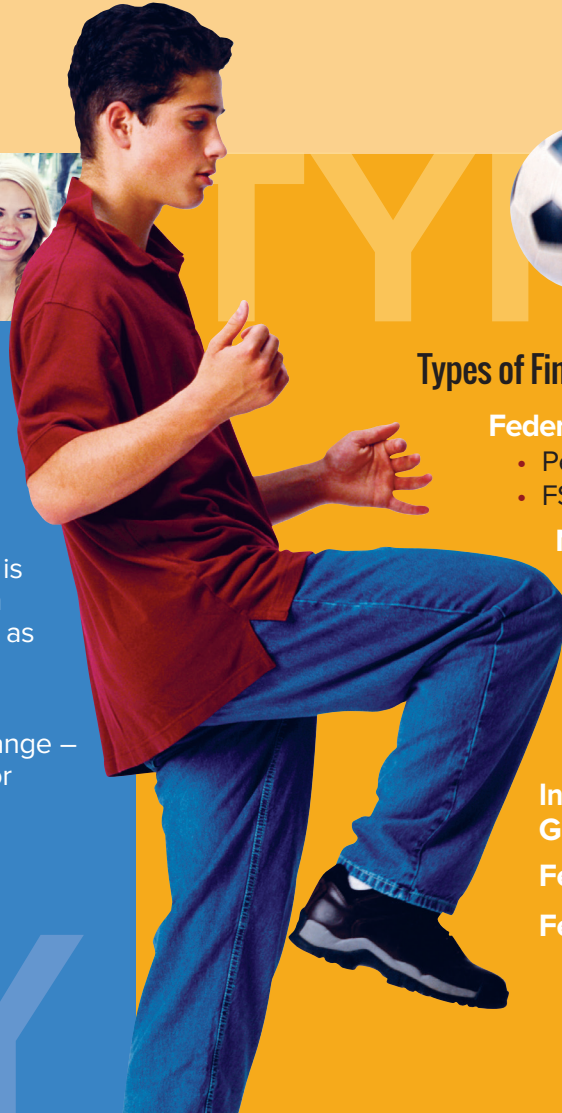
This is called Cost of Attendance.

## Save for College: It's Never Too Late.

- New York's 529 College Savings Program lets your family and others set up college savings accounts with special tax benefits.
- Accelerate your savings with Upromise rewards. This free service gives you back a percentage of your qualified spending.

aid.

AID



ITY TYPES

## Who Gets Financial Aid?

Students who apply and are eligible get financial aid.

Don't make the mistake of not applying because you think you don't meet the requirements. Apply and find out what you are eligible to receive.

Some financial aid is based on need. Need is determined by a number of factors, including your college costs, household income and savings,

household size, and the number of family members attending college.

Some financial aid is awarded based on other criteria, such as your grades and achievements.

Circumstances change – be sure to apply for aid every year you attend college.

## Types of Financial Aid

### Federal Grants and Scholarships

- Pell Grant
- FSEOG

### New York State Grants and Scholarships

- Tuition Assistance Program (TAP)
- Excelsior Scholarship
- Enhanced Tuition Awards
- Other programs

### Institutional (College) Grants and Scholarships

### Federal Work Study

### Federal Loans

- Direct Loans
- PLUS

APPLY

# FEDERAL AND NEW YORK GRANTS AND SCHOLARSHIPS



## What are the Types of Financial Aid?

Financial aid comes in the form of grants, scholarships, work study programs, and loans.

Grants and scholarships are free money – they don't have to be paid back.

**Loans, however, must be paid back with interest.**

**Always start with free money.**

## Federal Grants & Scholarships

Federal grants based on your financial need include:

- **Pell Grant**
- **Federal Supplemental Educational Opportunity Grant (FSEOG)**

For more information, visit [studentaid.gov](http://studentaid.gov).

## Federal Work Study Program (FWS)

Federal Work Study provides part-time jobs, based on financial need, offered through your college to help pay education expenses.

## Military Corner

New York State financial aid programs for current and past members of the military and their families:

- **Veterans Tuition Award**
- **NYS Regents Award for Children of Deceased and Disabled Veterans**
- **Military Enhanced Recognition Incentive and Tribute (MERIT) Scholarship**

The more free money you receive, the less debt you'll have after graduation. Use the scholarship search tools at [hesc.ny.gov](http://hesc.ny.gov).

## New York State Grants & Scholarships

### TAP

The New York State Tuition Assistance Program (TAP) helps eligible students attending approved colleges in NYS pay for tuition with awards up to \$5,665. Estimate your award at [hesc.ny.gov](http://hesc.ny.gov).

### NYS Science, Technology, Engineering and Mathematics (STEM) Incentive Program

STEM provides full-tuition awards to students who graduate in the top 10 percent of their NYS high school class if they pursue a two- or four-year degree program in STEM at a SUNY or CUNY college or university and agree to work in a STEM field in NYS for 5 years after graduation.

### Excelsior Scholarship

A first-in-the-nation program that, in combination with other student-financial aid programs, allows students to attend a SUNY or CUNY college tuition-free. Students in households with an adjusted gross income up to \$125,000 may be eligible.

Awards for not more than two years of full-time undergraduate study in a program leading to an associate's degree, or four years of full-time undergraduate study (five if the program normally requires five years) in a program leading to a bachelor's degree. After college, recipients must live in NYS for the length of time receiving the award.

### Enhanced Tuition Awards

For eligible students attending a participating private college in NYS, this program provides up to \$6,000 per year – for up to two years of full-time study for an associate's degree, or four years of full-time study for a bachelor's degree. After college, recipients must live in NYS for the length of time receiving the award.

### Other NYS Scholarships and Awards

Scholarships, awards and special programs based on certain criteria can be found at [hesc.ny.gov](http://hesc.ny.gov).

**The Senator José Peralta  
New York State DREAM Act**  
[hesc.ny.gov/dream](http://hesc.ny.gov/dream)

The NYS DREAM Act gives undocumented and other students access to New York State-administered grants and scholarships that support their higher education costs.

NYS DREAM Act applicants must also meet the requirements of the specific scholarship or awards program for which they apply.

# INSTITUTIONAL AID SCHOLARSHIPS • FEDER



## Institutional Aid

Institutional aid is funded and awarded by your college. Most colleges offer scholarships, grants, fellowships, assistantships and stipends. Some colleges even offer low-interest loans.

Institutional aid may be awarded based on need and/or merit, and can vary in amounts and availability. Contact your college's financial aid office for eligibility requirements, applications and deadlines.

## Grants and Scholarships from Other Sources

Scholarships and awards are offered by many community groups, clubs and organizations. They may be awarded based on academic merit, athletic ability, field of study, ethnic background, religious affiliation, and special interests.

Learn about these opportunities through your high school and contacts in your community.

**Use HESC's Financial Aid Award Letter Comparison Tool to compare your college financial aid packages.**

### Federal Tax Credit Programs

**American Opportunity Credit** – up to \$2,500 in tax credit per eligible student

**Lifetime Learning Tax Credit** – up to \$2,000 per return

### State Tax Credit Program

**NYS Tuition Tax Credit** – up to \$400 per eligible student

# FEDERAL LOANS

## Federal Loans

If you still need money after maximizing your federal, state and institutional grant aid, consider federal loans first. Federal loans are available to most undergraduate students and parents and have relatively low fixed interest rates and multiple repayment options. Interest rates vary depending on the loan type and the first disbursement date of the loan. Check [studentaid.gov](http://studentaid.gov) for the latest interest rate information.



### Direct Subsidized Loans

Are loans made to eligible undergraduate students who demonstrate financial need to help cover the costs of higher education at a college or career school.

### Direct Unsubsidized Loans

Are loans made to eligible undergraduate, graduate, and professional students, but eligibility is not based on financial need.

### Direct PLUS Loans

Are loans made to graduate or professional students and parents of dependent undergraduate students to help pay for education expenses not covered by other financial aid. Eligibility is not based on financial need, but a credit check is required. Borrowers who have an adverse credit history must meet additional requirements to qualify.

### Direct Consolidation Loans

Allow you to combine all of your eligible federal student loans into a single loan with a single loan servicer.



**Loan Forgiveness** Student loan forgiveness programs are available for those in certain professions who fulfill mandatory work requirements after college. New York State also offers the Get On Your Feet Loan Forgiveness Program for recent college graduates. Go to [hesc.ny.gov](http://hesc.ny.gov) for complete information.

# PRIVATE LOANS • PRINCIPAL INTEREST FEE



## Private Loans

A private student loan – sometimes known as an alternative loan – is another option for financing college costs after traditional funding sources, such as federal and state grants, scholarships and loans, have been exhausted.

Private student loans are usually unsecured, which means approval is based on a financial institution's assessment of your ability to repay.

You will secure better terms and pricing by adding a credit worthy co-signer to your application.

Always check the interest rate, fees, interest capitalization policy, repayment period, prepayment penalties and other terms and conditions of the loan before you sign a promissory note.

These can vary – sometimes considerably – depending on the financial institution underwriting the loan.

It's important to understand all the terms associated with a loan before you choose one.

## Maximize your Free Money first:

Only consider private loans as a last resort. Utilize your financial aid, grants, and scholarships to the fullest, before opting to pursue a private loan.

# REPAY

Unlike grants and scholarships, loans must be repaid.



# ES TOTAL COST



## Principal + Interest + Fees = Total Cost

**Principal:** The original amount you borrow is known as the “principal” of the loan. But the amount you must repay is more than the original principal that you borrow because the lender charges you for the use of the money.

**Interest:** The additional charge on your loan is known as interest. Interest accrues on the principal balance of your loan.

**Fees:** Lenders often charge fees when you borrow money. Make sure you know what they are.

When comparing private loan products, compare them based on their total cost: principal plus interest and fees.



## Be a Smart Borrower

Remember, everything you borrow must be repaid with interest. It's important to borrow only what you need.

You must repay your loans plus interest and fees — even if you don't complete college or find a job after college.

Only borrow what you need. Loans must be paid back with interest.

# Steps to Financial Aid –

Applying for financial aid isn't difficult. Follow these simple steps.



If you are eligible for federal financial aid, start by completing the Free Application for Federal Student Aid (FAFSA) to determine your eligibility for the Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work Study and federal loans.

Both you and a parent need FSA IDs for FAFSA and other federal student aid documents. Get your FSA ID at [studentaid.gov](http://studentaid.gov).

Complete your FAFSA at [studentaid.gov](http://studentaid.gov). You'll receive a student aid report (SAR) showing your federal aid eligibility and your family contribution.

## Remember: The first word in FAFSA is “free!”

It's free to complete, and easy – and help is available on [studentaid.gov](http://studentaid.gov) or from your financial aid counselor, if needed.

## Financial Aid Starts With The FAFSA

You can only receive financial aid if you apply.

- Federal, state, and some institutional aid is awarded based on the information provided on your FAFSA.

## Meet All Deadlines:

If you are a New York State resident or qualify for NYS aid under the NYS DREAM Act and attend a college in NYS, apply for NYS aid – the Tuition Assistance Program (TAP) and a variety of other grants and scholarships.

If you are eligible for federal aid, complete the FAFSA and simply follow the

“Start your state application” link at the end. You'll be directed to establish a HESC PIN to complete your TAP application.

If you qualify under the NYS DREAM Act, apply at [hesc.ny.gov/dream](http://hesc.ny.gov/dream).

After applying you'll receive a TAP/state scholarship award notice from HESC.

# AID



Apply for grants, scholarships and other aid from the colleges where you apply.

If accepted for admission, each college sends you a financial aid award letter detailing all the aid you're eligible to receive at that college. Use HESC's Financial Aid Award Comparison Tool at [hesc.ny.gov](http://hesc.ny.gov) to analyze and compare.

When you've made your decision, follow the instructions on how to accept or decline each part of the financial aid package.

After you have maximized your federal, state and institutional aid, federal loans are next. Federal loans with low, fixed interest rates are available for most students and parents. Follow the instructions in your award package. Visit [studentaid.gov](http://studentaid.gov) for more about student loans.

If you still have a funding gap after applying for and receiving all federal, state and institutional aid for which you are entitled, you may be considering a private loan.

Be sure to research loans and lenders carefully, and contact your college for information.

**Apply for financial aid every year. You may be eligible for aid you didn't previously receive.**

# Want to get connected to the resources you need to prepare for college or apply for financial aid?

Receive texts with key information about financial aid, important deadline dates, and resources to put you on the right path toward your college career.

**Visit: [hesc.ny.gov/hesctext](https://hesc.ny.gov/hesctext)**



99 Washington Avenue, Albany, NY 12255

**[hesc.ny.gov](https://hesc.ny.gov)**

Kathy Hochul, Governor