

**borrow
SMART
from the
START**



Borrowing money for college involves more than just completing the FAFSA and signing your Master Promissory Note (MPN).

You'll want to borrow smart from the very start of your college career to minimize your debt after graduation.

Regardless of where you are in your higher education journey, the path to smart borrowing begins now.

I'm preparing for college and I want to keep the cost down.

WHERE DO I START?

Complete the FAFSA

- ▶ If you haven't already, complete the Free Application for Federal Student Aid (FAFSA) as soon as possible to apply for financial assistance for college. Visit [FAFSA.gov](https://fafsa.gov) to learn more.

Seek Free Money

- ▶ Apply for as many grants and scholarships as possible. Complete the FAFSA every year; some grants and scholarships require it.

Check out the Scholarships page at UCanGo2.org and the *Find Scholarships* section at OKcollegestart.org for access to over 20,000 scholarships.

- ▶ If you still have financial need after using all your grants and scholarships, tap into any college savings available to you. Consider student loans your last option for paying for college.

Visit ReadySetRepay.org to learn more about federal student loans.



Limit Borrowing

- ▶ Borrow only what you need to pay educational expenses. Every penny borrowed must be repaid, plus interest!
- ▶ Explore all your borrowing options to find the loan that best meets your need. Federal student loans typically have better repayment options than private loans.

Your financial aid counselor can help you estimate how much you need to cover your school expenses.

Be Salary Savvy

- ▶ Keep your future salary in mind. Make sure the total amount you borrow to cover your college education won't exceed your expected first-year salary after graduation. Some experts recommend that your monthly loan payment should be no more than 8-10% of your monthly income.

Explore salary ranges for various careers under the Career Planning tab at OKcollegestart.org.

Expected First-Year Income	Maximum Affordable Monthly Loan Payment
\$20,000	\$125
\$25,000	\$156
\$30,000	\$188
\$35,000	\$219
\$40,000	\$250

More Cost-Cutting Measures

- ▶ Consider signing up for concurrent enrollment by taking credit-earning college courses while still in high school.
- ▶ Compare tuition rates and other expenses for different school types and locations. What's the best fit for both your career goals and your budget?
- ▶ Focus on in-state schools to avoid paying out-of-state tuition.
- ▶ Explore taking general education courses at a two-year college and transferring credits to a four-year university to finish your degree.
- ▶ If you can balance the workload, consider working part-time while in school to help cover living expenses.

If you have questions, talk to a financial aid counselor at the campus you'll be attending. Don't be afraid to ask for help.

Check out the *Money Management for College Students* self-paced learning module at [OklahomaMoneyMatters.org](https://www.oklahomamoneymatters.org).



I'm in college and need money to pay for it.

WHAT NOW?

Take steps to maximize financial aid, minimize borrowing and keep debt under control.

- ▶ **Complete the FAFSA** each year you need financial aid. Skipping this step could mean missing out on valuable aid opportunities!
- ▶ **Keep applying for grants and scholarships.** Eligibility requirements change and new scholarships are added regularly. Remember, scholarships aren't just for students with perfect grades. Many scholarships are awarded based on financial need, merit, residency, family history, skill, hobbies and athletics. Review the Scholarship Success Guide at UCanGo2.org for helpful resources.
- ▶ **Monitor how much you've already borrowed.** StudentAid.gov is the U.S. Department of Education's database of federal student loan information. You can find a summary of your student loan activity there.



Access all your federal financial aid information at StudentAid.gov.

You'll need your FSA ID, which you can get at StudentAid.gov.

- ▶ **Review your finances each semester** and adjust your borrowing accordingly. Commit to borrow only what you need to cover school expenses.
- ▶ **Consider making interest payments while you're in college** or pre-paying your loan. Interest payments are usually affordable, even on a tight budget, and can save you money over the life of your loan.
- ▶ **Create a spending plan and stick to it.** A realistic budget will help you successfully manage living expenses and stretch your aid dollars (visit the Students page at OklahomaMoneyMatters.org for helpful tools). Consider your credit, too. Mismanaging your credit could prohibit you from getting your dream job, buying the perfect home or qualifying for affordable insurance.
- ▶ **Stay in touch with your financial aid office, lender(s) and loan servicer(s).** Don't wait until you've reached a crisis point before seeking help. At the first sign of trouble, call an adviser to discuss your options. Contact information for your federal loan servicer is available at StudentAid.gov.

For more ways to manage your money, download the *Your Money Matters* guide for college students at OklahomaMoneyMatters.org.



I'm no longer in college and need to repay my student loan.

WHERE DO I GO FROM HERE?

While focusing on job hunting, relocating and the other challenges you may face, don't let your student loan fall through the cracks.

- ▷ **Make a “student loan” file** to keep track of all important loan documents and lender/servicer correspondence. Read everything when you receive it.
- ▷ **Prepare for monthly payments before your grace period ends.** Review your current expenses and adjust your spending plan to make room for your student loan payments. Your loan payment is just as important as your rent, car payment or any other fixed monthly expense.
- ▷ **Ask your loan servicer to explain all available repayment options** and choose one that best fits your financial situation. There are pros and cons for each federal repayment plan that you'll want to examine carefully. Your servicer can explain the specific requirements of each and help you decide which option is right for you.
- ▷ **Make interest payments during your grace period** to save money over the life of your loan.
- ▷ **Make sure your lender and loan servicer have your current contact information** so you don't miss important loan-related updates.
- ▷ **Make your payments on time** and immediately ask for help if you're struggling to make your payment.
- ▷ **Ask questions when you need help.** This is the easiest and most important step you can take to successfully repay your student loans.

For resources to help you prepare for life after college, explore the *Transition to Independence* self-paced learning module at OklahomaMoneyMatters.org.

I've missed some payments.

CAN I GET BACK ON TRACK?

Sometimes life takes an unexpected turn, and you may find you're having trouble making your student loan payment. Talk to your lender or loan servicer at the *first sign* of trouble to prevent default.

Your servicer can help you consider the following repayment options.

- ▷ **Income-based repayment:** payment is determined each year based on your annual income and family size
- ▷ **Income-contingent repayment and “Pay as You Earn” program:** both for Direct Loans only; payment is determined by loan amount, annual income and family size
- ▷ **Graduated payment schedule:** payments start low and gradually increase over time



For more information about these options, visit *I'm Behind on My Payments* at [ReadySetRepay.org](https://www.ReadySetRepay.org).

- ▶ **Other repayment schedules:** a comprehensive list is available at [ReadySetRepay.org](https://www.readysetrepay.org)
- ▶ **Deferment:** delay your payment for a period of time
- ▶ **Forbearance:** temporarily postpone or reduce your payment
- ▶ **Forgiveness:** waives all or part of your outstanding loan balance if you meet specific requirements; speak with your lender(s) or loan servicer(s) to see if you qualify

Avoid default at all costs. Defaulting on your student loan can have devastating effects on your finances, including:

- Wage garnishment.
- State and federal tax garnishment.
- Damaged credit rating.
- Loss of deferment, forbearance and future federal financial aid eligibility.

While payment is paused during a deferment/forbearance, some or all loans may continue to accumulate interest.

If you've already defaulted on your student loans, you still have options! Talk to your loan servicer about:

- ▶ **Loan rehabilitation.** After making a set number of voluntary, on-time payments, your loan can be brought out of default. This will remove the default from your credit report.
- ▶ **Loan consolidation.** This option allows qualified borrowers to combine all federal student loans and make one payment to the U.S. Department of Education.



LINKS AND CONTACTS

▷ ReadySetRepay.org

▷ OCAP.org

▷ UCanGo2.org

▷ OKcollegestart.org

▷ StudentAid.gov

▷ Facebook.com/ReadySetRepay

▷ **Federal Student Aid**

Student Loan Support Center: 800.557.7394 (toll free)

Federal Student Aid Ombudsman Group: 877.557.2575

StudentAid.gov

▷ **Oklahoma Money Matters (OKMM)**

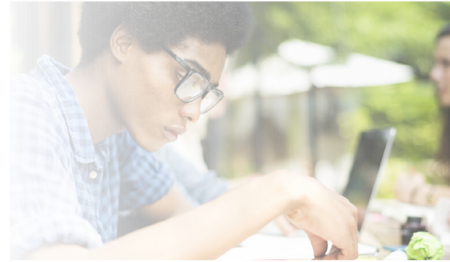
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ON TRACK FOR STUDENT LOAN SUCCESS



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