

ARE YOU LOOKING FOR MONEY?

Paying for College with Grants, Scholarships, and Federal Loans
2011-2012



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Scholarship
essay due

Nov. 3



A college education is an investment in your future. Fortunately, financial aid is available to help almost everyone manage the cost. While it's best to use as much savings or free financial aid as possible, you may still need to borrow money to pay for your education.

UCanGo2, the college access initiative of the Oklahoma College Assistance Program (OCAP), educates students and parents about planning, preparing and paying for education after high school and works with school counselors, campuses and community partners to demonstrate the value of higher education and help families overcome barriers to educational access and success.

This brochure provides information on grants, scholarships and federal education loans for students. If you'd like additional information, contact the financial aid office at the school you plan to attend or UCanGo2 at 405.234.4239, 866.443.7429 (toll free) or UCanGo2@ocap.org.



Test on
Tues

Finish
college
applications



Movies
tonight,
7:30



Grants and scholarships

Each year, grants and scholarships help thousands of students reach their educational goals and help families manage the cost of college.

Oklahoma Tuition Aid Grant (OTAG)

OTAG is a program for Oklahoma residents who need financial assistance to meet part of the cost of attending college. The grant may be used at Oklahoma public colleges and universities, technology centers or eligible private institutions within the state.

Oklahoma Tuition Equalization Grant (OTEG)

OTEG is a need-based program for Oklahoma residents who are full-time undergraduates attending eligible Oklahoma not-for-profit, private or independent institutions of higher education. Family income must be under \$50,000.

Oklahoma's Promise

Oklahoma's Promise is for Oklahoma residents who complete a specific high school curriculum, achieve at least a 2.5 GPA in the curriculum and abide by certain conduct standards. Students must apply for the program during the 8th, 9th or 10th grade. Their family income may not exceed \$50,000 at the time of application and \$100,000 at the time the student begins college and prior to receiving the scholarship. Learn more at OKpromise.org.

Read more about these and other grant and scholarship opportunities on our website at ocap.org or contact the Student Information Hotline at 800.858.1840 or studentinfo@osrhe.edu. Information about most of these programs can also be found at OKcollegestart.org.

Many state aid programs require a completed Free Application for Federal Student Aid (FAFSA). Learn more about the FAFSA on page 6 of this booklet.

Financial Aid

Money provided to the student and/or parents to help pay for the student's education. Major forms of financial aid include gift aid (grants and scholarships) and self-help aid (loans and work-study).

Note:

Some terms in this publication may be unfamiliar to you. Several key words are highlighted throughout this booklet. A comprehensive financial aid glossary is available on DCAP's website, ocap.org.

Other state scholarship opportunities:

Academic Scholars Program
(maximum award: \$5,500)

Future Teachers Scholarship
(maximum award: \$1,500)

George and Donna Nigh Public Service Scholarship
(maximum award: \$1,000)

Regional University Baccalaureate Scholarship
(maximum award: \$3,000)

What federal grants are available?

Federal Pell Grant	Available almost exclusively to undergraduates. (Maximum award: \$5,500)
Federal Supplemental Educational Opportunity Grant (FSEOG)	For undergraduates with exceptional financial need; Federal Pell Grant recipients take priority; funds depend on availability at school. (Maximum award: \$4,000)
Teacher Education Assistance for College and Higher Education (TEACH) Grant	For undergraduate, postbaccalaureate, and graduate students who are or will be taking course work necessary to become an elementary or secondary teacher; recipient must sign Agreement to Serve saying he or she will teach full-time in a designated teacher shortage area for four complete years (within eight years of completing the academic program) at an elementary or secondary school serving children from low-income families. (Maximum award: \$4,000 for undergrads, \$8,000 for graduate students)
Iraq and Afghanistan Service Grant	For students who are not Pell-eligible whose parent or guardian died as a result of military service in Iraq or Afghanistan after the events of 9/11, and who, at the time of the parent's or guardian's death, were less than 24 years old or were enrolled at least part-time at an institution of higher education. (Maximum award: \$5,500)



Photo courtesy of Langston University

Note:

Financial need is the difference between the cost of attending a particular school and the calculated family contribution, minus any other financial aid a student is receiving.

What about scholarships for Native American students?

Many Native American tribes fund scholarships for college-bound members. Here's a quick list of links to some of the scholarships available:

- ComancheNation.com/education
- CaddoNation-nsn.gov/departments/education/higher_ed.html
- KickapooTribeOfOklahoma.com/forms.html
- PeoriaTribe.com/programs/education.php
- ChickasawEducationServices.com/index_90.htm
- Cherokee.org/services/179/Page/Default.aspx
- ASTribe.com/education.html (Absentee Shawnee)
- ChoctawNation-sap.com/cnoscholarship.shtml
- KawNation.com/programs/educationsocialservices.php
- MiamiNation.com/mto/edu.html
- C-A-Tribes.org (Cheyenne-Arapaho)
- DelawareNation.com
- MuscogeeNation-nsn.gov (Creek)
- SeminoleNation.com
- QuapawTribe.com/index.aspx?nid=100

A list of tribal offices throughout Oklahoma can be found at aiccm.org/oklahoma-tribes. For specific information, members should contact their tribal office.





Tips for scholarship success

It's never too early to start exploring scholarship opportunities. Check with the school(s) you want to attend and investigate other sources of grants and scholarships, such as local employers, churches and civic organizations. Check out these tips to help you maximize your scholarship dollars.

1. **Don't assume.** Starting in your senior year of high school, fill out the Free Application for Federal Student Aid (FAFSA) every year you need aid. Many students don't realize they may qualify for federal aid, including grants, scholarships, work-study and low-cost student loans. Learn more at [FAFSA.gov](https://fafsa.gov).

2. **Be prepared.** Consider starting a "My Future" file for important college planning documents like report cards, ACT and/or SAT scores, letters of recommendation and documentation of community service projects and extracurricular activities. These documents will come in handy when completing scholarship applications and tracking your achievements.

3. **Do your research.** Set up an appointment with your school counselor to talk about your scholarship options or contact your local financial aid office for free resources. You can also call the State Regents' Student Information Hotline at 800.858.1840 (toll free) or email studentinfo@osrhe.edu to learn more about financial aid. Additional information about scholarships can be found under the Paying for College tab at [OKcollegestart.org](https://okcollegestart.org). Numerous other websites offer free resources and scholarship searches, including:

([FastWeb.com](https://www.fastweb.com) [Scholarship-Monkey.com](https://www.scholarship-monkey.com) [SchoolSoup.com](https://www.schoolsoup.com)
[ScholarshipExperts.com](https://www.scholarshipexperts.com) [FinAid.org](https://www.finaid.org) [Scholarships4School.com](https://www.scholarships4school.com))

4. **Do the "write" thing.** Many scholarships require an essay, but don't let that discourage you. Preparing scholarship essays can often be a fun experience because it gives you the opportunity to write about interesting topics like your future goals or a favorite service project. Also, statistically speaking, scholarships that require essays have fewer applicants, which means you have a greater chance of winning the scholarship.

5. **Don't miss the boat.** Nothing's worse than writing a great scholarship essay only to realize you've missed the deadline. Apply for as many scholarships as you can and keep track of the requirements for each one so you don't miss out on free money by forgetting to include your transcript or submitting your application after the deadline.





Focus on the FAFSA

To apply for federal grants, scholarships, work-study programs and low-cost federal student loans, you must complete the Free Application for Federal Student Aid (FAFSA). These handy tips will help simplify FAFSA completion.

Good to know

- Complete the FAFSA as soon as possible after Jan. 1 every year to meet school and state deadlines.
- Apply for your Personal Identification Number (PIN) before you complete the FAFSA. You can request one at PIN.ed.gov.
- Visit FAFSA.gov to complete the application online and receive step-by-step instructions; you'll need your PIN. You can also request a paper copy by contacting the Federal Student Aid Information Center at 800.4.FED.AID, but the online application is highly recommended.
- Because FAFSA.gov is a secure site, your information is encrypted for privacy.
- IRS data can now be transferred directly to your online FAFSA application.
- Never pay to complete the FAFSA -- the first letter in FAFSA stands for FREE!

Completing the form

- When submitting your FAFSA online, hit the 'Save' button often. Always use the 'Next' and 'Previous' buttons on the site. Never use the 'Back' button on your browser or you may lose your information.
- If you have a question while completing the FAFSA online, you can view the 'Help and Hints' box on the right-hand side of each screen to get answers.
- All school codes are listed on the official FAFSA website, FAFSA.gov.

Expected Family Contribution (EFC)
The amount a student and his or her family may be expected to pay toward college expenses for one academic year.



Student and family information

- If you're a 'dependent student', include information about your parents' income when completing the FAFSA. If you have a special situation, you should contact the financial aid office at the school you plan to attend.
- If your parents have money in a 401(k), don't include this information on your FAFSA. Retirement funds are not used to calculate your Expected Family Contribution (EFC).
- The FAFSA uses a larger percentage of student income and assets when determining your EFC, so it's best to keep all savings in your parents' names.
- If your parents are divorced, report the income for the parent you lived with the most during the last 12 months. If you lived with each parent for the same amount of time during the past year, you should include income information for the parent who provided you the most financial support during that period.
- If you answer "yes" to any dependency status question, you'll be considered an independent student. If all questions are answered "no," you'll be considered dependent. Check out the FAFSA Dependency Questionnaire on the Resources page at UCanGo2.org for more information.
- Males must be registered with the Selective Service to receive federal financial aid. Even if you're not 18 yet, you can still register on your FAFSA.

Even if you think you won't qualify for aid, fill out the FAFSA anyway! The FAFSA is uniquely designed to determine your eligibility for financial aid. Everyone's situation is different and nearly everyone qualifies for some type of financial aid.

After you complete and submit the FAFSA to the U.S. Department of Education, you'll get a Student Aid Report (SAR). Review it to ensure all of your information is correct. The information from the SAR is sent to your school's financial aid office. They'll notify you if you're eligible for federal or state student aid, including grants, scholarships, work-study and student loans.

Have more questions? Contact the financial aid office at the school you plan to attend.

Dependent students must report their parents' income and assets, as well as their own, on the FAFSA. **Independent students** report only their own income and assets (and those of a spouse, if married). See our FAFSA Dependency Questionnaire in the Resources section at UCanGo2.org.

Note:

Check out these helpful websites to help you navigate the FAFSA process: UCanGo2.org FAFSA.gov PIN.ed.gov



Work-study and federal student loans

Grants and scholarships may not be enough to cover your college costs. Fortunately, the federal government offers work-study opportunities and low-cost student loans.

Work-study. The federal work-study program provides jobs for students with financial need, allowing them to earn money to help pay educational expenses. Students work part-time at approved sites, and the money they earn is used to pay tuition and other expenses at their college. The program encourages community service employment and work related to the student's course of study.

Student loans. Federal education loans are offered at low interest rates; some are based on need and some aren't. The amount you can borrow depends on several factors, including your grade level, financial need, cost of attendance, the length of your school's academic year and other sources of aid. If you're eligible for a federal student loan, you'll be asked to sign a Master Promissory Note (MPN), which is a legal agreement of repayment between you and the federal government.



Federal Perkins Loan	For undergraduate and graduate students; must be repaid to the school that made the loan at a 5% interest rate. (Maximum award: \$8,000)
Direct Subsidized Stafford Loan	Need-based loan from the federal government. The U.S. Department of Education pays the interest while the borrower is in school and during grace and deferment periods; student must be attending school at least half-time; fixed interest rate (set annually) for new borrowers. (Maximum award: \$8,500)
Direct Unsubsidized Stafford Loan	Non-need-based loan from the federal government. The borrower is responsible for all interest costs and must be enrolled in school at least half-time; fixed interest rate (set annually) for new borrowers. (Maximum award: \$20,500)
Direct PLUS Loan	Non-need-based loan from the federal government for parents of dependent undergraduate students and for graduate and professional students; students must be enrolled at least half-time. Borrower is responsible for all interest costs. (Maximum award: cost of attendance minus any other financial student aid you receive.)

When do I start repaying my loan?

Repayment for most loans starts six months after you graduate, withdraw from school or drop below half-time enrollment. This six-month period, called a grace period, gives you time to adjust your budget to prepare to make your monthly loan payment. Your monthly payment amount will depend on how much you've borrowed.

How much will I pay?

Federal student loans have a fixed or variable interest rate that differs depending on the loan type and other factors, like when your loan was first disbursed. While you're in school, you may either make interest payments on unsubsidized loans or have the interest added to the principal of the loan; this is called capitalization. Each time the lender adds the unpaid interest to the loan's principal, the total amount you repay, and possibly your monthly payments, will increase, so it's best to make interest payments while you're in school, if possible. They're usually affordable on a college budget.

The following chart shows estimated monthly payment amounts based on a standard repayment schedule, which provides 10 years to repay the loan.

Loan Amount	Direct Subsidized Loans 3.40% Interest Rate		Direct Unsubsidized Loans 6.80% Interest Rate		Direct PLUS Loans 7.90% Interest Rate	
	Min. Monthly Payment	Total Interest Paid	Min. Monthly Payment	Total Interest Paid	Min. Monthly Payment	Total Interest Paid
\$2,500	\$50	\$200	\$50	\$448	\$50	\$542
\$5,000	\$50	\$887	\$58	\$1,904	\$60	\$2,248
\$10,000	n/a	n/a	\$115	\$3,809	\$121	\$4,496
\$25,000	n/a	n/a	n/a	n/a	\$302	\$11,240
\$50,000	n/a	n/a	n/a	n/a	\$604	\$22,480

*Interest rates for Direct Subsidized and Unsubsidized loans vary. Check with your school's financial aid office or the Department of Education for the most up-to-date interest rate information.

Several repayment plans are available for borrowers. After you graduate, your federal loan servicer will tell you about your options and help you figure out which plan is best for you. Learn more about repayment options at [OCAP.org](https://www.ocap.org).

Grace Period
A transition period – generally six months following the date a borrower leaves school or drops below half-time status – during which the borrower is not required to make loan payments.

Accrued Interest
The accumulated total of interest paid for the use of borrowed money.

Disbursement
The delivery of loan funds to the borrower, either directly or by credit to a student account.

Non-Federal Alternative or Private Education Loans

Many lenders offer loans outside the federal loan program called "alternative" or "private" education loans. These loans allow you to borrow money if your free money and federal loans don't cover your costs. Since alternative or private education loans can have higher interest rates and may offer fewer flexible repayment options, you should consider them only after you've exhausted all of your federal loan options.



More helpful resources

The U.S. Department of Education can answer your questions about federal student loans. Contact them at 800.848.0979 (toll free) or visit direct.ed.gov for info.

Who can answer my federal student loan questions?

Who can help me manage my student loan debt?

Managing your student loan is an important responsibility. If you're unable to make your student loan payment, contact your loan holder immediately to explore available repayment plan options. OCAP's Default Prevention department is also available to help you develop a successful repayment strategy and offer general debt management counseling. Contact Default Prevention at 800.358.5460 (toll free) or visit ocap.org.

For more information about preparing academically and financially for college, contact your financial aid office and visit the following websites:

Oklahoma College Assistance Program	OCAP.org
UCanGo2	UCanGo2.org
Oklahoma State Regents for Higher Education	OKcollegestart.org
Oklahoma Money Matters	OklahomaMoneyMatters.org
Federal Student Aid	StudentAid.ed.gov
SmartStudent Guide to Financial Aid	FinAid.org
FastWeb Free Scholarship Search	FastWeb.com
ACT Information	ACTstudent.org
The College Board	CollegeBoard.com
Free Application for Federal Student Aid (FAFSA)	FAFSA.gov
FAFSA4caster	FAFSA4caster.ed.gov
Oklahoma's Promise	OKPromise.org
Mapping Your Future	MappingYourFuture.org
Oklahoma College Savings Plan	OK4Saving.org
Oklahoma GEAR UP	okhighered.org/gearup



Oklahoma Money Matters (OKMM)

Provides information and resources that help youth and adults successfully manage personal finances, understand consumer credit and navigate the financial aid process. Visit oklahomamoneymatters.org.



Student Information Hotline

Provides information about financial aid, admission requirements, placement scores and more. Call 405.225.9239 or 800.858.1840 or email studentinfo@osrhe.edu.

OKcollegestart.org



Serves as a one-stop shop for college planning for students, parents and counselors. The site offers online college applications, career exploration and planning tools, and financial aid resources.

Federal Student Aid on the Web

The site offers helpful information from the U.S. Department of Education about applying for college and getting financial aid. Visit studentaid.ed.gov.



UCanGo2 is an initiative of the Oklahoma College Assistance Program
formerly known as the Oklahoma Guaranteed Student Loan Program
a division of the Oklahoma State Regents for Higher Education



P.O. Box 3000 • Oklahoma City, OK 73101-3000

Call UCanGo2 at 405.234.4239 or 866.443.7420 (toll free)

Visit the UCanGo2 website at UCanGo2.org or email UCanGo2@ocap.org