



## Rules of the Financial Aid Game

### Who Can Play?

Whether you're an incoming freshman or a senior in college, almost every student is involved in the Financial Aid Game. It usually begins a year before you start college and can continue long after you graduate.

Your eligibility to receive financial aid depends on several factors. These include whether you're considered a dependent or an independent student, your financial need (determined by an intricate federal formula), and how early you apply. In addition, you must:

- Be a citizen or eligible non-citizen of the U.S. with a valid Social Security number (SSN)
- Have a high school diploma or a General Educational Development (GED) certificate, or pass an approved "ability to benefit" test
- Be enrolled in an eligible program as a regular student seeking a degree or certificate
- Be registered for the Selective Service (applies only to males 18-25)

Other participants in the Financial Aid Game include: the financial aid officer at your school, lenders and servicers who make and handle loans, guarantors who guarantee those loans, and U.S. Department of Education who administer and oversee the federal financial aid system.

### How Do You Play?

You play the Financial Aid Game by completing a series of steps beginning in high school and ending when you repay all the money you borrow. In general, you must:

1. Identify and apply to one or more schools you'd like to attend
2. Complete the Free Application for Federal Student Aid (FAFSA)
3. Select a school and accept the financial aid package offered
4. Apply for loans (if necessary) and provide any required additional information
5. Keep track of how much you borrow and don't borrow more than you need
6. Repay all loans in full and on time after you leave school

### Can You Lose?

Definitely. First, you can lose the Financial Aid Game if you don't complete the FAFSA or miss deadlines for submitting applications or completing financial aid forms. Don't expect to receive reminder notices when things are due – you need to stay on top of key dates.

Second, you can lose the Financial Aid Game if you fail to pay back money you borrow. Whether or not you graduate from college, student loans must be repaid, and the longer you take to pay them, the more expensive they get. Start planning to pay them back tomorrow by understanding what they mean today.

## Play It Now

Get started by visiting the Borrower section of [mygreatlakes.org](http://mygreatlakes.org). You'll find lots of information on the financial aid process, including more about Stafford and PLUS loans. You'll also find tips and tools for saving and managing your money while you're in school.

Start by learning the steps in the financial aid process and what you need to do. You've got a lot to gain by playing it right.

## Play It Right

When you play the Financial Aid Game, there's a lot at stake. Win, and you'll get the financial aid you need to pay for college and enjoy all the benefits it has to offer. Lose, and you may miss out on college altogether. That's why it's important to play the Financial Aid Game right.

## Financial Aid Currency

### Free Money

Free money (also known as gift aid) includes grants, scholarships, and any other money you don't have to pay back. This is the best type of aid available, but because it's free, it runs out fast! Apply as early as you can to maximize your chances of receiving gift aid.

Grants are primarily based on financial need. There are five types of federal grants: Pell Grants, Supplemental Educational Opportunity Grants (SEOGs), Academic Competitiveness Grants (ACGs), National Science and Mathematics Access to Retain Talent Grants (National SMART Grants, and Teacher Educational Assistance for College and Higher Education Grant [TEACH]). Your need is based on a formula calculated using information from the FAFSA.

Scholarships are based on academic achievement, need, or both. Use your school's financial aid office and the Internet to find them. Apply early and apply often, and avoid scholarship services that charge a fee – there's plenty of free help out there.

### Earned Money

The Federal Work-Study Program provides jobs for students with financial need. The program encourages you to work for your school or to perform work related to your major. Like a regular job, you work a set number of hours and get paid an hourly wage.

### Loans

There are three basic federal student loan programs: Stafford, PLUS, and Perkins. **Stafford:** Subsidized Stafford loans are available to students who qualify based on financial need. Unsubsidized Stafford loans are available to all students, regardless of financial need. The federal government pays the interest on subsidized loans, but not unsubsidized loans, while you're in school. You don't have to make payments until six months after you graduate or are no longer enrolled at least half time.

**PLUS:** Parents who meet credit requirements can take out loans for their dependent undergraduate students. Parents are responsible for all interest, which begins accumulating after the first disbursement is made. Payments on your PLUS loan begin within 60 days after the money is fully disbursed or 6 months after your child ceases to be enrolled at least half-time, depending on the option you select when you first take out your PLUS loan.

**Perkins:** A Federal Perkins loan is a need-based loan. Your school is your lender and that is who you must repay. The amount you can borrow each year depends on when you apply, your level of need, and the funding level of the school.

For more detailed information about the different types of financial aid, visit [mygreatlakes.org/financialaid](http://mygreatlakes.org/financialaid).



J U N I O R Y E A R



Start Here

decide whether college is for you

learn how much college really costs

think about what and how you want to learn

figure out where you want to live

**WAIT!**  
Have you shared your thoughts with someone?

apply to schools

sign up for Department of Education PIN

S E N I O R Y E A R

**DO IT AGAIN!**  
Repeat this phase each year until you graduate

accept the aid package

carefully review your SAR

complete the FAFSA

**THINK ABOUT YOUR FUTURE**

- **Decide whether college is for you.** College is the key to many professions. But not every profession requires a degree, and not every person likes the college life. Yes or no, just make sure you think about it now. In the end, it could save you a lot of time and money.
- **Learn how much college really costs.** Don't just focus on big expenses like tuition. Difficult-to-predict expenses like books can cost \$1,000 per year, and travel can cost even more. Be aggressive in identifying expenses and conservative when estimating them; it won't be fun, but it will be helpful later on.
- **Think about what and how you want to learn.** Have some idea of what you want to study, even if you aren't exactly sure. This could be helpful in deciding where to apply. The same goes for how you like to learn. If you expect professors to know your name, then big schools may not be for you.
- **Figure out where you want to live.** The city or town where you go to school will be your home, too. This may be the first time you get to choose where you live, so choose wisely.
- **Share your thoughts with someone.** It's your decision, but you can still ask for help. Your friends are probably working out the same issues; see what they have to say. Your parents could help, too, even if they've never been to college. And don't forget guidance counselors; they get paid to help you.

**APPLY, APPLY, APPLY**

- **Apply to schools.** Applications are a lot of work, and they may cost money, so make sure you apply to schools you're serious about. And don't miss any deadlines! There are few quicker paths to rejection.
- **Sign up for a Department of Education PIN.** If you want to receive federal or state financial aid, you must complete the Free Application for Federal Student Aid (FAFSA). The best way to do this is online at [fafsa.gov](http://fafsa.gov), but you need to register for a PIN first. Go to [pin.ed.gov](http://pin.ed.gov) to get started. And don't lose your PIN! You'll need it for the next four years.
- **Complete the FAFSA.** The FAFSA asks questions about you and your family's finances during the previous tax year so, if possible, enlist your parents' help in completing it. You can get an early estimate of your eligibility using the FAFSA4caster online at [fafsa4caster.ed.gov](http://fafsa4caster.ed.gov). Much of the information that you enter will populate your online FAFSA application, which is used to calculate your Expected Family Contribution (EFC) and how much financial aid you may receive. The results are summarized in a Student Aid Report (SAR). A copy of the SAR is sent to you and data from the SAR is sent to up to six schools of your choice (more if you pay a fee).
- **Carefully review your SAR and correct any errors.**
- **Consider what the SAR is telling you.** The SAR can be discouraging, especially if your EFC seems really high. But keep in mind that schools use the data in the SAR as a guide. They have their own process for determining financial aid packages.

**REVIEW YOUR OPTIONS**

- **Review acceptances.** Hopefully, you'll receive at least one acceptance letter, maybe more. If you receive more than one, take your time to review your options. It's been a long time since you applied, so a lot may have changed. Also, just knowing you're accepted somewhere can do a lot to clear your mind.
- **Review financial aid packages.** Acceptance letters are nice, but turn your attention to financial aid packages as soon as possible. If your top school gives you the best deal, that's great. If not, then evaluate the pros and cons of each offer objectively. And remember: loans need to be paid back. So if School A and School B cost the same after considering aid, but School B requires bigger loans, the costs are not equal. In fact, School B is more expensive, even before considering interest on the loans.

**GET READY TO GO**

- **Select a school.** Pick a school, sign the forms, and mail them off. Don't miss any deadlines, or you'll lose your spot. And be sure to enjoy the moment. After the grueling application process, you deserve it.
- **Accept the aid package.** Be sure to accept the aid package from your school as soon as possible. If something gets messed up, you'll have plenty of time to fix it. If you can, accept your aid package online and avoid the mail altogether. Don't feel obligated to accept all the financial aid offered, especially loans you don't need. You want to have as little debt as possible when you graduate.
- **Apply for loans.** Depending on your school, the loan application process may be handled when you accept the aid package. If not, contact a lender as soon as possible to guarantee your loan is disbursed on time. Either way, keep your eye on the mailbox; there may be more paperwork for you.
- **Develop a budget.** You know exactly how much school is going to cost this year, plus you have a pretty good idea what it's going to cost next year. So, it's time to set up a budget to help you spend your money wisely. For more info — including tips and a budget manager — visit the Borrower section of [mygreatlakes.org](http://mygreatlakes.org).

**DO IT AGAIN**

- **Complete the FAFSA.** You need to complete the FAFSA each year you want federal or state aid. If you completed your first FAFSA online, much of your information will be entered already. If you lose your PIN, visit [pin.ed.gov](http://pin.ed.gov) to request a copy.
- **Carefully review your SAR.** When you receive a copy of your SAR, make sure the information is correct, especially any changes you made. Contact your school and inform them of any errors.
- **Accept the aid package.** Be sure to accept the aid package from your school as soon as possible. If you can, accept it online.
- **Repeat this phase each year until you graduate.** You must apply each year you want to receive financial aid. You can do this by repeating the steps in this phase, beginning with completing the FAFSA. Again, if you completed your first FAFSA online, much of your information will be entered already.

complete the FAFSA

carefully review your SAR

**HANG ON!**  
What exactly is your SAR telling you?

**LOOK OUT!**  
Time to make a budget.

apply for loans

accept the aid package

select a school

**HOLD UP!**  
Have you reviewed all offers?

review financial aid packages

review acceptance

S E N I O R Y E A R

S E N I O R Y E A R

