

Advice On Saving, Planning And Paying For College

(NAPSA)—Now is a good time for families of high school upperclassmen to plan how they're covering the cost of college. It can help to follow this 1-2-3 approach:

1. There's nothing like free money. Take advantage of all free money opportunities such as financial aid, scholarships and grants. All families of college-bound students should fill out the FAFSA to see if they qualify for need-based federal grants.

Scholarships are also a form of free money, so families should investigate those opportunities as well. The scholarship database from Sallie Mae, the nation's No. 1 financial services company specializing in education, helps match students with over 3 million scholarships worth \$16 billion. Also, talk to your college counselor for information on applying for other scholarship opportunities.

Families can also take advantage of Sallie Mae's Upromise college rewards program to get more cash back to pay for college when making everyday purchases. When you shop online, you can get a percent of your eligible purchase back in college savings if you shop through Upromise.com.

2. Federal loans can help. Explore federal student loan programs such as Stafford loans. You can qualify for a federal unsubsidized Stafford loan regardless of financial need. It has a fixed interest rate and flexible repayment options. As with any loan, always consider what you'll have to repay down the road.

3. Use financially responsible private loans to fill any gaps. Look at private student



There may be more ways to pay for college than many students and their families realize.

loans to fill any financial gaps. In the long run, the best options, such as the Smart Option Private Student Loan, encourage students to make interest payments while still in school. By doing so, you can graduate with less debt and a shorter repayment term. Students can pay as little as \$25 a month while in school and for six months after school and enjoy a shorter repayment term, compared to a 15-year private student loan with deferred payments while in school. Securing a creditworthy cosigner may also help students qualify or reduce your interest rate.

Families should also remember that college costs go beyond tuition and fees. Students will need school supplies, books, dorm accessories and more. In fact, the average family reports paying 27 percent more than the stated cost of college on school necessities. Be sure to take all costs and potential future earnings into account when making your final school selection.

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