



PC PLANNING



Get An “A” In Financial Aid 101 Simple Tips For Funding Your College Education

(NAPSA)—In today’s job market, very few dispute the importance and benefits of higher education. The record number of students enrolling in colleges and universities across the country certainly backs this belief. However, while incoming students get ready to embrace the academic and social rigors of college life, many will have their most difficult test before they even arrive on campus...paying for tuition.

The cost of tuition continues to skyrocket. In fact, on average, the cost of college tuition at both public and private universities has doubled over the last 20 years. The news is not all bad though, as the selection of financing options and financial aid packages available to students continues to grow. Before you begin exploring the many different choices, consider these tips from GMAC Bank, which offers private education loans for undergraduate, graduate and continuing education students.

- **Know your costs.** The first step in financing a college education is to get a clear picture of how much it will cost and to begin building an annual budget for each year of college, per student.

“You need to look beyond just the tuition of a college or university,” said Debra Scott, director of the education loan program for GMAC Bank. “College expenses also include dorm fees or rent for off-campus apartments, meal plans, the cost of books and other miscellaneous fees, even the cost of traveling home during school breaks.”



- **Know your options.** Today’s students and parents need to be savvy about uncovering programs that can offer financial assistance. While the variety and choice of options might seem confusing, the best starting point is to consider three primary sources: federal assistance, scholarships and private student loans.

- **Federal Assistance**—Begin your financial aid quest by looking into grants and loans offered by the federal government. For example, federal grants such as Pell Grants can range from \$100 to \$4,000 per year based on level of need and do not require repayment. Federal student loans, such as the well-known Stafford or Perkins loans, are available for undergraduate students, graduate students and for parents of dependent undergraduate students and do require repayment.

- **Scholarships**—Like grants, these are funds used to pay for higher education that do not need to be repaid. Scholarships are offered by a wide range of institutions—from awards offered by your potential college or university to those bestowed by local organizations, corporations and a variety of other sources. Scholar-

ships are awarded based on a variety of criteria (not all are based on academic performance or financial need), so be sure to check for further information on eligibility. Leave no stone unturned in your search, as many scholarships go unused each year.

- **Private Student Loans**—Another option is the private student loan. Flexible by nature, these types of loans can cover all or a significant amount of your tuition and other expenses. Private loans can be used to cover any cost associated with attending school, such as tuition, books, computers, travel and living expenses. Typically deferred until after graduation, they can also be used in coordination with other sources of funding. For example, a financial aid package may only cover tuition and board, so a private student loan may be helpful in paying for other education-related expenses.

“Students should realize that they are not limited to one type of financial aid,” added Scott. “More and more students are funding their education through a variety of sources including a financial aid mix of private loans in combination with savings, federal loans, grants, or scholarships and part-time jobs.”

Arranging financing for college is the first real-life lesson in managing money that many young people will experience. With some thorough research, you could be well on your way to getting an “A” in Financial Aid 101. For more information, visit <http://www.edloans.gmacbank.com>.