LUANA SAVINGS BANK Carol Jensen, Vice President, cjensen@luanasavingsbank.com

Debt/Credit

Debt is when you owe money to someone: Credit Cards? Debt; Car Loans? Debt; House Mortgage? Debt; Student Loans? Debt.

A 2012 Fidelity survey of families with children 18 and younger found that only 31 percent of parents have spoken with their children about the total costs of college and future job opportunities, earnings potential, and possible debt load—meaning that 69 percent have not tackled the topic. **Talk to your parents!**

In a 2014 survey, high schools students said their top fears before starting college were:

1. Being Homesick
2. Gaining the "Freshman 15"
3. Not Fitting In
4. Not Being Able to Keep Up in Class
5. Not knowing what to Major In
6. Dreading Dorm Life

College costs & possible debt load didn't even make the student list!!

There is currently no 'one stop shop' for students and families to rely during the financial aid process. How you manage debt during college could determine whether you'll need to move back home to live with your parents after college or whether you will be able to afford to accept your dream job.

This financial literacy summit is intended to boost your financial savvy and protect your financial independence along the way. It is eventually up to you to seek out financial options, communicate along the way, and determine just how to invest and pay for college. If you can't pay, you can't stay.

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Debt/Credit - continued

You will be surrounded by peer pressure, by colleges encouraging you to attend, and by parents who are proud of your accomplishments and supportive of your new-found independence. People are asking 'where' you are going to college these days, not 'if' you are going to college. Employers continue to prefer hiring an applicant with a college degree over those without so that is reason enough to work toward earning a college degree.

Here is what Ron Lieber, New York Times Money Columnist, observes in his daily work and eventually writes in his 2015 book, "*The Opposite of Spoiled: Raising Kids Who Are Grounded, Generous, and Smart about Money*":

"It's easy to see why parents can't bring themselves to stop their children from borrowing money to go to college. No one wants to deny a child the opportunity to attend a dream university. Here's the problem though: The people making the final decision about whether to take on tens of thousands of dollars of student loan debt are mere teenagers. Figuring out how much to pay for a college education is one of the biggest financial decisions people make in their lifetime, and parents often leave the final call to a 17-year-old."

Nearly 44% of students do not earn a degree after attending college for six years; they have debt but no degree. Much of that has to do with being unprepared financially. You can beat the odds! It comes down to planning, school choice, living a reasonable lifestyle, working, and understanding financial aid.

Remember that all debt needs to be repaid with interest. Does anyone want to guess how much you would have to pay back on a $30,000 loan, at 7.10% interest, for 10 years? Answer: $42,000 (or $350/month)

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Credit Score/Credit Card Debt

A credit score is a number that you earn for how you handle your credit obligations. It is your financial 'report card for life'. A credit score is objective, just like a baseball batting average. It is calculated 100% on debt; 0% on income. Three credit bureau agencies (Equifax, Experian, and TransUnion) keep score on whether or not you repay debt as agreed; you can order credit reports from these agencies online. Credit scores can result from credit obligations incurred as a minor (medical collections following you to adulthood, for example) and credit obligations as an adult. Scores on a credit report range from a low of 300 to a high of 850; the higher the credit score, the better.

Why bother to start earning good credit while you're in college?

1. More employers are checking credit reports before making job offers (it showcases honesty, integrity, ethics, and management ability);
2. Landlords are checking credit scores in order to live off campus;
3. Utility and cable companies check your credit;
4. To be able to get your own cell phone plan;
5. In order to live independently after college.

Did you know that every time you apply for a new credit card in order to get a free college t-shirt, a free meal, or an in-store discount on a purchase, it can lower your credit score? If you want to begin establishing good credit while in college, limit yourself to one credit card that is paid every month; "just say no" to the rest.

If I haven't, these ISU students will convince you to manage debt while in college in their 27-minute video, "Cautionary Tales of the Student Debt Crisis" (produced by Virginia Blackburn of Iowa State University). It can be found at: http://www.bvu.edu/admissions/financial-assistance/credit-management.dot

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BEFORE the FAFSA

Before completing the Free Application for Federal Student Aid (FAFSA), do some homework and narrow your college choices down to those you can afford to attend. You should then include those college choices on the FAFSA. College comparisons can be made at Abacus, https://collegeabacus.com, or with the College Affordability and Transparency Center at http://collegecost.ed.gov.

A top objective for this financial literacy summit is for you to understand the importance of being financially capable. A college education is a major purchase, just like a car or a house. Treat it like a big purchase and shop around!

Find each college's Costs of Attendance (COA) by looking online or calling the college. You wouldn't buy a house or car without knowing the sticker price. The COA is the 'sticker price' to be able to go to that particular college (it is also called your 'budget'). It includes: (A) Tuition and fees; (B) Housing and meals (room and board); (C) Books and supplies; (D) Transportation; (E) Personal expenses.

Billed expenses	Iowa Residents	Nonresidents
Tuition & fees *	$8,104	$27,890
Housing & meals**	9,728	9,728
Subtotal	**$17,832**	**$37,618**
Other estimated expenses	**Iowa Residents**	**Nonresidents**
Books & supplies	$1,240	$1,240
Personal expenses***	1,482	1,482
Transportation	456	456
Subtotal	**$3,178**	**$3,178**
Total estimated costs	**$21,010**	**$40,796**

Estimated Costs of Attendance - Living On Campus, 2015-16

COA Source: http://admissions.uiowa.edu/finances/estimated-costs-attendance

BEFORE the FAFSA - continued

One of your many jobs while in college is to live at or below the budgeted COA amounts. In this example, that would be $1,482 for personal expenses or $164.66 per month during each of the 9 months of college. The COA does not include summer living expenses or spring break trips.

"You know, there may also be some of the parents who are paying the bills, but the student could still borrow through the private loan program, all the way up to the total cost of attendance, including the entire family contribution. That is enabling them to live a higher lifestyle, a lifestyle that they see as being desirable. That's where we're trying to target a lot of our financial literacy efforts, to help them realize that every penny that they borrow while they're in school now is going to detract from what they're able to do once they graduate. Students feel it is just more convenient to not involve their parents in the process."

Financial aid counselor

Here are financial areas to consider and discuss with parents prior to the FAFSA:

1. Determine what savings is available to pay for college costs;
2. Discuss what needs to be done financially in order to be able to earn a college degree versus having to leave college with debt and no degree;
3. Make it your job to apply for scholarships;
4. Prepare and pay to take the ACT and SAT tests more than once in order to improve your scores and be able to qualify for more scholarships;
5. Ask your parents to invest in your future; find out what you need to do for them to help you pay for college. If your parents can't or won't, ask grandparents or other family members for financial options.
6. Live at home while going to college;
7. Sell things to generate cash;

BEFORE the FAFSA - continued

8. Consider working extra hours (possibly full time). How? There's plenty of time to work. College is usually broken up into two 16-week semesters a year. That leaves 20 weeks each year to work full time and 32 weeks to work at least part time.
9. Identify ways that monthly interest payments can be made so that the original loan amounts do not increase while in college. Loan capitalization happens when unpaid interest (on the federal Direct Unsubsidized Loan, for example) is added to the principal balance of a loan.
10. Select a major with potential for enough income to be able to repay a college investment and still 'have a life'. You can research wages at the Bureau of Labor Statistics: http://www.bls.gov/bls/wages.htm
11. Have all other debt (car, credit card, etc.) paid off prior to college.

Parents who asked their children to focus on high-paying jobs expected their child to earn an average of $70,300 upon graduating from college. A salary survey from the National Association of Colleges and Employers (NACE) reported the average starting salary for 2013 grads earning bachelor's degrees has risen to $45,000. You can find the college salary report for 2014 at: http://www.payscale.com/college-salary-report-2014/full-list-of-schools

The FAFSA must be completed by students and parents for federal aid and also to be considered for many college and state aid (non-federal) options these days. If you are a dependent student and your parents do not agree to complete the FAFSA then many financial aid options are not available to you. You will need to seek alternatives and it is best to find this out early in the financial aid process.

Source: *College Financial Aid: Highlighting the Small Print of Student Loans* by Carol Jensen, PhD – Published by ACE Continuing Education, 2014

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BEFORE the FAFSA - continued

Alternatives to federal financial aid could be more scholarships, finding non-federal lenders who do not require the FAFSA, working while going to college, and/or paying cash. Some students may wait to attend college until federal financial aid considers them independent students when married or at the age of 24 (in order to qualify for more federal Direct Unsubsidized loans); some may become a member of the armed forces.

"I'm finding so many of the parents don't want to take out a parent loan for the students. They don't want their name on the loan for the student. They don't want to be, I don't know if it's that they don't want to be bothered, or saddled or, you know, whatever, but a lot of our families have indicated that the kid can go to school, but they're going to do it on their own. They're not going to get help from the parents. Now many of our parents are not like that, but a lot of them are. So the student really has no recourse but to go the alternative [private] loan route. And then they run into obstacles because they generally have to have a cosigner. And the parent doesn't want to cosign. So a lot of our students are really caught. I feel sorry for them, I truly do." Financial aid counselor

For students and parents who are willing but not quite ready to complete the FAFSA, Federal Financial Aid offers FAFSA4caster (http://studentaid.ed.gov/fafsa/estimate) as a free financial aid calculator that provides an early estimate for federal student aid.

For those preferring a PDF version of the FAFSA in order to review questions prior to completing it online, it is available at: http://www.studentaid.ed.gov/PDFfafsa.

Source: *College Financial Aid: Highlighting the Small Print of Student Loans* by Carol Jensen, PhD – Published by ACE Continuing Education, 2014

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FAFSA – Free Application for Federal Student Aid www.fafsa.gov

FAFSA is a form that is required annually by current and prospective college students (undergraduate and graduate) in the United States to determine their eligibility for student financial aid. 'Federal Student Aid" is an umbrella term that includes the federal grants for students, federal Direct subsidized loans for students, federal Direct unsubsidized loans for students, the federal Direct Parent PLUS loans for parents, the federal Direct (Grad-PLUS) unsubsidized loans for graduate students, and federal Work-Study.

Federal loans are called Direct Loans because they are made directly from the U.S. Department of Education, without going through a bank or other lender. The federal Direct subsidized and unsubsidized loans to students are also called Stafford loans. Plan to complete the FAFSA and apply as early as possible.

Applicants (college student and at least one parent) should obtain a personal identification number (PIN) at http://www.pin.ed.gov before completing the FAFSA online at www.fafsa.ed.gov. FAFSA has over 100 questions to answer.

Following the submission of the FAFSA, the student will receive a Student Aid Report (SAR), which is a document that summarizes the information from the FAFSA. The SAR is generated by the U.S. Department of Education after the FAFSA has been processed and sent to the schools of choice that were listed on the application. This form officially notifies the student that the FAFSA was received.

The student should review the SAR carefully and make necessary corrections. If there are errors, the student can go to the FAFSA website, enter their PIN, and make the necessary corrections. Once the SAR is accurate, the student should keep a copy of the form. The SAR also contains a four-digit Data Release Number (DRN). Students will need the DRN if they choose to allow a college or career school to change information on their FAFSA.

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FAFSA – Free Application for Federal Student Aid – continued

An electronic version of the summarized FAFSA content can be sent directly to the institution; this is called the Institutional Student Information Record (ISIR). The term ISIR refers to all processed student information records that are sent directly to the institutions. The schools that the student lists on the FAFSA will receive the ISIR automatically. The ISIR is also sent to state agencies that award need-based aid.

A college's financial aid package is your way to find out how much you and your family are expected to pay at each college before any federal, state, or college aid; it is called your Expected Family Contribution (EFC). Work closely with your parents to determine how you will be able to pay the EFC (even if you'd rather be doing something else). It is going to take joint sacrifices, hard work, and preparation to be able to limit (or even eliminate) college loan amounts every year in order to stay in school and to eventually graduate with a degree.

The majority of federal student financial aid is in unsecured loans that have to be paid back, with interest, to the U. S. Department of Education. Unsecured means there is no collateral (car or house) for lenders to repossess if payments are not made. Lenders cannot repossess your future earning power or take away the knowledge you gain from attending college so these loans are seldom forgiven in bankruptcy. The standard repayment plan for federal loans is 10 years; the same 10 years after college when you may want to buy a home, start a family, or invest in a business.

Source: *College Financial Aid: Highlighting the Small Print of Student Loans* by Carol Jensen, PhD – Published by ACE Continuing Education, 2014

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Financial Aid

Remember that 'financial student aid' is a catch-all phrase that includes all kinds of financial assistance for students and parents, from scholarships to loans. I've been asked by counselors to underline and put this equation in bold print; so here it is:

COA – EFC = Financial Aid

Financial aid amounts are not determined by colleges until the Expected Family Contribution (EFC) is subtracted from the Costs of Attendance (COA). The remaining balance is the amount you need to pay, in addition to the EFC, to be able to stay in school. Financial aid is then the balance due that is awarded by colleges to qualified applicants through grants, scholarships, work study, loans to students, loans to parents, and loans to both students and parents.

To be in compliance with federal rules, the total of all financial aid cannot exceed a college's COA. This certification is a major responsibility for financial aid counselors and it is up to students and families to report all federal and non-federal financial aid sources to the college. Failure to report non-federal aid could result in federal penalties, such as the loss of federal financial aid.

Federal grants are available to college students with exceptional financial need and they seldom need to be repaid. Examples of federal grants are Pell Grants, Federal Supplemental Educational Opportunity Grants (FSEOG), Teacher Education Assistance for College and Higher Education (TEACH) Grants, and Iraq and Afghanistan Service Grants.
https://studentaid.ed.gov/types/grants-scholarships.

Source: *College Financial Aid: Highlighting the Small Print of Student Loans* by Carol Jensen, PhD – Published by ACE Continuing Education, 2014

Financial Aid – continued

The maximum Pell Grant for 2015-2016, for example, is $5,775 and funds are very limited (ask if your college offers Pell Grants). Years ago the Pell Grant was enough for many to pay their college tuition; however, it is important to know that those days are over and it is no longer an option for most college students.

"We do see an ever-growing population of our students whose parents come in with them as a freshman and say, "I went to college on the Pell Grant, and they'll have to do the same." Well, parents make too much money and students don't qualify for a Pell Grant." Financial aid counselor

The Federal Work-Study Program is based on financial need and administered by the college. It helps all eligible students earn financial funding through a part-time work program. https://studentaid.ed.gov/types/work-study

Scholarships are the most cost-effective way to pay for college. They are basically free money since you don't have to work for them (beyond the time in applying or possibly maintaining a particular major or grade point average) and you don't have to pay them back. **Apply for scholarships like it's your job!**

The majority of financial aid is in unsecured loans that have to be repaid over time with interest. What has caused financial aid to become mainly loans these days?

1. Less scholarships (some students do not bother to apply);
2. Less government grants are available (grants have not kept pace with the rising costs of college and many have been replaced by loans);
3. Reduced family savings to pay for college.

"Families have not saved as they have in the past. They might have more debt out there and, again, less savings. Savings has not kept up with the increase in [college] expenses." Financial aid counselor

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Financial Aid – continued

Federal unsecured loans for undergraduate students are called Perkins, Direct Subsidized, and Direct Unsubsidized. These loan amounts to students are limited to those who qualify. Perkins and Direct Subsidized loans are based on financial need; Direct Unsubsidized loans are not based on need. The U.S. Department of Education pays the interest on a Direct Subsidized loan while you're in school at least half time, during the 6-month grace period after exiting school, and during loan deferment.

With the exception of the Perkins loan (with a 5% fixed rate and no fees), these federal loans all have fees and variable interest rates that can change. Direct Subsidized and Direct Unsubsidized loans for undergraduates, also called Stafford loans, are currently at 4.66% variable interest rates and fees of 1.073%. Payments can be deferred until after the student exits college. (The Direct Unsubsidized loan for graduate and professional students has a variable rate of 6.21% and a loan fee.)

Repayment options for federal loans are disclosed to students during exit counseling and include the Standard Repayment Plan (10 years is standard), Graduate Repayment Plan, Extended Repayment Plan, Income-Based Repayment Plan, Pay-As-You-Earn Repayment Plan, Income-Contingent Repayment Plan, and Income-Sensitive Repayment Plan. Federal loans also have a variety of loan deferment and loan forbearance options.

"A big part of school loans these days is confusion. You know, what do I have, where do I have it, how much do I have, what's going on?"

Financial aid counselor

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Financial Aid – continued

Federal unsecured loans to parents are called PLUS loans or Parent PLUS loans. These loans currently have a 7.21 variable interest rate with a 4.292% fee. Repayment begins 60 days after the last disbursement (unless approved for a deferred repayment). Parents, without adverse credit, can borrow 100% of college costs without regard to employment, current or future income, existing debt, credit scores, or any repayment ability. There is no loan counseling required.

Financially speaking, there isn't a much easier loan approval process than the one for the Parent PLUS loans (once the FAFSA is completed); applicants just cannot have adverse credit. One example of adverse credit is a medical collection. http://studentaid.ed.gov/glossary#Adverse_Credit_History Undergraduate students whose parents are unable to obtain a Parent PLUS loan may qualify for more Direct Unsubsidized loans.

Non-federal loans are made by a lender such as a bank, credit union, state agency, or a school. Other names for non-federal loans are private, alternative, Debt-to-Student (DTS), and Debt-to-Consumer. Private lenders offer fixed interest rates, variable interest rates, and charge loan fees. Some unsecured loans have immediate repayment requirements and some have payments that can be deferred. It is up to students to compare private loan options as colleges do not recommend any particular private lender. Iowa Student loan is a private loan. An example of a private lender is Sallie Mae. No counseling is required.

It is next to impossible for students to obtain private loans without a creditworthy cosigner because these loans are based on credit history and repayment ability, which most college students do not have. Creditworthy parents and grandparents are cosigning private loans these days; however, grandparents are typically not eligible to apply for federal Parent PLUS loans.

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Financial Aid - continued

A recent study suggests that parents expected their child to graduate with an average debt of $14,600 and would be able to repay it all in 8 years. According to the Project on Student Debt's annual report for The Class of 2013, (http://ticas.org/content/pub/student-debt-and-class-2013-0), the average debt for just federal student loans in Iowa was $29,092. This average debt does not include any federal loans to parents, credit card debt and home equity loans used for college, or private/non-federal loans to parents and students.

The national reporting on increasing college loan defaults, when payments are over 270 days past due, pertain mainly to the federal loans made to students. Failure to pay on federal student loans is serious business. https://studentaid.ed.gov/repay-loans/default/collections

A federal lender can garnish your bank accounts, wages, federal income tax refunds, Social Security payments, and any other federal payments. They can order your employer to withhold up to 15% of your disposable income; no court judgment is needed. They can revoke your professional licenses (a teaching license, for example) for failure to repay federal loans as agreed.

Whenever federal loans are forgiven, due to death or total and permanent disability, just remember that the amount forgiven will typically be reported as income (with few exceptions). The amount forgiven will then be taxed as income in the same year that it was forgiven. Recipients may be able to work out a repayment payment plan with the Internal Revenue Service (IRS) to obtain additional years in order to pay for their additional federal tax obligation.

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High-Debt States

These are the TOP TEN U.S. states with the highest average student debt levels according to *The Project on Student Debt* (2014 information has not yet been released). The average college loan amounts are for unsecured federal loans to students. It does not include federal loans to parents, private loans to students and/or parents, home equity loans used for college, credit cards used to pay for college, etc.

2005

1. New Hampshire $22,793
2. **Iowa** $22,727
3. North Dakota
4. Rhode island
5. Pennsylvania
6. Minnesota
7. Maine
8. South Dakota
9. Washington
10. Indiana

2006

1. District of Columbia $27,757
2. New Hampshire
3. Vermont
4. Connecticut
5. Minnesota
6. **Iowa** $22,926
7. Maine
8. Pennsylvania
9. Indiana
10. Michigan

2007

1. **Iowa** $26,208
2. New Hampshire
3. Alaska
4. Vermont
5. Minnesota
6. Pennsylvania
7. Rhode Island
8. Maine
9. District of Columbia
10. South Dakota

2008

1. District of Columbia $29,793
2. **Iowa** $28,174
3. Connecticut
4. New York
5. New Hampshire
6. Minnesota
7. Pennsylvania
8. Vermont
9. Rhode Island
10. Maine

2009

1. District of Columbia $30,033
2. New Hampshire
3. Maine
4. **Iowa** $28,883
5. Vermont
6. Minnesota
7. Pennsylvania
8. Rhode Island
9. Alaska
10. Ohio

2010

1. New Hampshire $31,048
2. Maine
3. **Iowa** $29,598
4. Minnesota
5. Pennsylvania
6. Vermont
7. Ohio
8. Indiana
9. Rhode Island
10. New York

2011

1. New Hampshire $32,440
2. Pennsylvania
3. Minnesota
4. Rhode Island
5. Connecticut
6. **Iowa** $28,753
7. Ohio
8. Vermont
9. District of Columbia
10. New Jersey

2012

1. Delaware $33,649
2. New Hampshire
3. Pennsylvania
4. Minnesota
5. Rhode Island
6. **Iowa** $29,456
7. Maine
8. New Jersey
9. Ohio
10. Michigan

2013

1. New Hampshire $32,795
2. Delaware
3. Pennsylvania
4. Rhode Island
5. Minnesota
6. Connecticut
7. Maine
8. Michigan
9. **Iowa** $29,092
10. South Carolina

The Project on Student Debt is an initiative of The Institute for College Access & Success (TICAS).
The High Debt States are reported annually and this was compiled by Carol Jensen, PhD, on 4-20-2015.

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Award Letter

An award letter is a neatly-packaged combination of grants, scholarships, work-study and loans (mostly loans) that is sent by the college to the student. Colleges include loans as financial awards during their recruitment and marketing efforts. It is up to students to figure out and identify the differences between grants, scholarships, work-study, and loans on each college award letter.

Loans can include any combination of federal and non-federal loans to students and their parents (colleges vary on what loans are included in their award letters). A college counselor stated that, especially when private/non-federal loans are included, "*Deciphering student loan differences is just very difficult, and it is somewhat like trying to compare cell phone plans.*"

Awards (including loans) are typically accepted online these days. Financial aid counselors are aware that students do not seem to fully comprehend or understand written and online information that is provided to them.

"So much of it ... they apply online. They're supposed to read all the terms and conditions, but how many 18-year-olds are really going to sit and read page after page of all that information?" Financial aid counselor

"It is not unusual for them to do everything online. But, online it is very easy not to read any of it and just click: Yes, I agree. Yes, I've read it, and go on."
Financial aid counselor

After teaching college courses to students for 20+ years and having a career in banking for 30+ years, I can say with unwavering confidence that many borrowers do not fully understand what loans, interest rates, and repayment terms they have agreed to in order to pay for college.

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College Debt

Understanding loan limits, loan amounts, the sheer number of loans, consolidation options, interest rates, loan fees, and various repayment terms is no easy task. https://studentaid.ed.gov/repay-loans/consolidation

Managing college debt is especially challenging for those students who do not understand their current loan obligations until their credit report is obtained for other loans (such as a car or house loan) or when they get a payment notice in the mail. This reminds me; always notify lenders of all your address changes so payments aren't missed just for that reason. FinAid has a helpful online loan calculator to estimate college loan payments at: http://www.finaid.org/calculators/loanpayments.phtml

"Second Chance"

College graduates offer some of the best financial advice (it all points toward fewer loans). If they could do it all over again, they would have:

1. Pursued more scholarships;
2. Selected a major that would have led to a higher-paying job;
3. Worked while in college;
4. Started saving earlier.

"Making It Visual"

The "Making It Visual" presentation at the 2015 Iowa Financial Literacy Summit will include financial information easily found on the federal student aid website at: https://studentaid.ed.gov. The Visual is intended to simplify the financial aid topic and show the differences between federal loans for students, federal loans for parents, and private loans for students and parents. Plan to Attend!

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Car Debt

Vehicle loans are obtained from auto dealers and banks in order to buy new or used cars or to refinance existing car loans. Buyers and lenders can determine car values online at Kelley Blue Book, www.kbb.com, or with the National Automobile Dealers Association (NADA) at www.nada.com.

Car loan rates vary between lenders and are based on individual credit scores, down payment amounts, income (repayment ability), and insurance options. To calculate monthly payments, there is a Quick Loan Calculation at: https://luanasavingsbank.com/pages/loans/auto.asp

The number of years for a car loan can depend on the year and condition of the vehicle, along with the odometer reading (the miles already driven on the vehicle). Car loans typically average between 3-6 years. The length of the loan should not exceed the reasonable life of the car.

Lenders typically require full coverage insurance (the state of Iowa requires liability insurance; however, the lender may require more than liability coverage for the loan). If there is an insurance settlement on the car then that payment should be sent to the lender and applied directly on the loan. Lenders also keep the car original title until the original loan amount, plus interest, is fully repaid.

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Investing

Saving money allows you to earn interest or dividends on your investments. There are many ways to save money and there are various risks for each investment; ranging from very minimal to maximum risks. Some investments also require fees. It is best to seek the advice of a licensed professional when it involves investing outside of the usual federally-insured savings accounts, money market accounts, and certificates of deposit.

Here are some other investment options to consider:

1. Individual Retirement Accounts (IRAs)
2. Roth IRA
3. 401-K
4. Stocks
5. Bonds
6. Mutual Funds
7. Annuities

The cash value of a whole life insurance policy is oftentimes viewed as a long-term investment; however, it can also be available for immediate cash needs before, during, and after college.

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Additional Resources

Adverse Credit History – Federal Parent PLUS Loans
http://studentaid.ed.gov/glossary#Adverse_Credit_History

College Abacus College Comparison https://collegeabacus.com

College Affordability and Transparency Center http://collegecost.ed.gov

College Navigator through the National Center for Education Statistics
(http://nces.ed.gov/collegenavigator/

Credit Bureaus www.equifax.com; www.experian.com; www.transunion.com

Dependent Student
https://studentaid.ed.gov/fafsa/filling-out/dependency#dependent-or-independent

FAFSA Forms (English, Spanish, and Braille) https://www.edpubs.gov/default.aspx
Federal Loan Types https://studentaid.ed.gov/types/loans

Federal Student Aid Eligibility http://studentaid.ed.gov/eligibility/basic-criteria

Fees – Federal Loans
https://studentaid.ed.gov/types/loans/interest-rates#are-there-any-other-fees-for-federal-student-aid

Forgiveness, Cancellation, and Discharge
https://studentaid.ed.gov/repay-loans/forgiveness-cancellation

Additional Resources - continued

Independent Student
https://studentaid.ed.gov/fafsa/filling-out/dependency#dependent-or-independent

Interest Rates – Federal Loans
https://studentaid.ed.gov/types/loans/interest-rates#what-is-interest

Iowa Student Loan – Private Loan
http://www.iowastudentloan.org/private-loan-programs/alliance-main.aspx

Jensen, Carol *"College Financial Aid: Highlighting the Small Print of Student Loans"*, Published by ACE Continuing Education, 2014
http://www.amazon.com/s/ref=nb_sb_ss_i_1_42?url=search-alias%3Daps&field-keywords=college+financial+aid+highlighting+the+small+print+of+student+loans&sprefix=college+financial+aid%3A+highlighting+the+sm%2Caps%2C285

Loan Limits – Subsidized and Unsubsidized
https://studentaid.ed.gov/types/loans/subsidized-unsubsidized#how-much

Parent PLUS Loans https://studentaid.ed.gov/types/loans/plus

Pell Grants https://studentaid.ed.gov/types/grants-scholarships/pell

Repayment Plans – Federal Loans
https://studentaid.ed.gov/repay-loans/understand/plans

Sallie Mae – Private Lender https://www.salliemae.com/student-loans/

Textbooks for Rent http://www.chegg.com; http://bookrenter.com