How to Pay for College
A Guide for Arkansas Students 2016-17
Why Is This Booklet Important?
This “How to Pay for College” booklet will inform you about the financial aid application process and the many financial aid programs available to assist in paying for higher education. This information can help you achieve any level of education beyond high school including certificate programs, two and four-year degrees and graduate degrees. Follow this guide to make your college dreams become a reality.

This booklet is provided to you by the Arkansas Department of Higher Education and the Arkansas Student Loan Authority, two state agencies which exist to provide access to higher education through financial aid programs and college planning information for Arkansas students and their families.

Table of Contents
Introduction to Paying for College.................................................................Page 3
Cost of Attendance ......................................................................................... Page 4
Award Letter .......................................................................................................Page 5
Applying for Federal Aid.................................................................................. Pages 6-7
Federal Student Aid Programs........................................................................ Pages 8-9
Arkansas State Aid Programs........................................................................ Pages 10-12
Other Types of Federal & State Assistance ................................................... Page 13
Saving for College .......................................................................................... Pages 14-15
High School Checklists.................................................................................. Pages 16-19
Resources ........................................................................................................ Pages 20-21
Responsible Borrowing.................................................................................... Pages 22-23
Introduction to Paying for College

Are you ready to attend college but need financial aid to help fund your education? It’s important to understand the total cost of the college you are attending and also to know the types of financial aid the college is offering. This booklet will give you an overview of resources that can help you understand how to pay for college.

The first step to apply for financial aid is to complete the Free Application for Federal Student Aid (FAFSA). Each year a new FAFSA is available for the upcoming school year. Your selected colleges will use information from the FAFSA application to determine your eligibility for federal, state and institutional aid. Make sure to accept grants and scholarships before taking out a loan. If you have to take out a loan, only borrow what you need since this is money you will have to pay back.

Financial Aid Process

Submit the Free Application for Federal Student Aid (FAFSA)

A Student Aid Report (SAR) will be sent to you from the U.S. Department of Education

The school(s) will use the SAR to determine your financial aid

If you are receiving loans you must complete loan documentation

You must accept or decline the financial aid awarded by your school

A financial aid award letter will be sent to you

Go to College!

Photo courtesy of John Brown University
Cost of Attendance

Cost of Attendance (COA) may be one of the most important factors to consider when choosing your college. By understanding cost of attendance, you can compare colleges and search for resources to help fund your education. COA includes education expenses, such as tuition and fees, room and board, books & supplies, transportation, and personal expenses.

You can estimate the costs of attending your preferred college by using the Net Price Calculator on the college’s website. This tool will help you estimate your total costs to attend the college after taking grants and scholarship aid into account.

![Graph showing 2016-17 Average “Cost of Attendance” in Arkansas]

\[
\text{Cost of Attendance} - \text{Gift Aid} = \text{Net Price}
\]
A financial aid award letter will be sent to you by your selected college(s) after completing the initial steps of the financial aid process. The award letter will include the total cost of attendance along with any grant aid (grants and scholarships) you are eligible to receive. Any remaining amount owed after receiving grants and scholarships is referred to as the “net price”; options to pay the net price include, but are not limited to, student loans, the Federal Work-study program and personal savings.

### FINANCIAL AID AWARD LETTER

Office of Financial Aid. 123 College Street. Collegetown, AR 12456. T 501.123.4567. finaid@college.edu

April 6, 2017

Jane Smith
78 Circle Street
Hometown, AR 78945

Congratulations on admissions to the University of the Natural State! We are pleased to offer you the financial assistance below for the 2017-18 academic year. For Federal Student Aid, awards are based on the information reported on the Free Application for Federal Student Aid (FAFSA). Please make sure to accept or decline the award.

<table>
<thead>
<tr>
<th>Cost of Attendance</th>
<th>Fall</th>
<th>Spring</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition and fees</td>
<td>$3,960.00</td>
<td>$3,960.00</td>
<td>$7,920.00</td>
</tr>
<tr>
<td>Room and Board</td>
<td>$3,911.00</td>
<td>$3,911.00</td>
<td>$7,822.00</td>
</tr>
<tr>
<td>Books and Supplies</td>
<td>$693.50</td>
<td>$693.50</td>
<td>$1,387.00</td>
</tr>
<tr>
<td>Transportation</td>
<td>$877.50</td>
<td>$877.50</td>
<td>$1,755.00</td>
</tr>
<tr>
<td>Other educational cost</td>
<td>$1,145.50</td>
<td>$1,145.50</td>
<td>$2,291.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$10,587.00</td>
<td>$10,587.00</td>
<td>$21,174.00</td>
</tr>
</tbody>
</table>

### Grants and Scholarships

| Grants and Scholarships from your school | $3,000.00 | $3,000.00 | $6,000.00 |
| Federal Pell Grant                    | $1,250.00 | $1,250.00 | $2,500.00 |
| Federal SEOG Grant                    | $500.00   | $500.00   | $1,000.00 |
| Arkansas Academic Challenge (Lottery Scholarship) | $500.00 | $500.00 | $1,000.00 |
| Other scholarships                    | $1,000.00 | $1,000.00 | $2,000.00 |
| **Total**                             | $6,250.00 | $6,250.00 | $12,500.00 |

### Expected Net Price

| Expected Net Price | $4,337.00 | $4,337.00 | $8,674.00 |

### Options for Paying Net Price:

| Options for Paying Net Price: | $1,500.00 | $1,500.00 | $3,000.00 |
| Work-Study                     | $1,750.00 | $1,750.00 | $3,500.00 |
| Federal Direct Subsidized Loan | $1,087.00 | $1,087.00 | $2,174.00 |
| Federal Direct Unsubsidized Loan | $1,000.00 | $1,000.00 | $2,000.00 |
| Other options (Parent or Graduate Plus Loans) | $0.00 | $0.00 | $0.00 |

Net Cost

Please let us know if you have any questions about your award. You may reach the Financial Aid Office at (501)-567-8910 or by email at finaid@college.edu.

Sincerely,

University of the Natural State
Applying for Federal Aid

The steps below will guide you through the financial aid application process.

1. **Create an FSA ID.**
   An FSA ID gives you access to Federal Student Aid’s online system and serves as your legal signature on the FAFSA. [https://fsaid.ed.gov](https://fsaid.ed.gov)

2. **Complete the Free Application for Federal Student Aid (FAFSA)**
   This form is used by virtually all colleges, universities and career schools for the awarding of federal student aid and most state and college aid.
   The official FAFSA is at [www.fafsa.ed.gov](http://www.fafsa.ed.gov), and there are three ways to complete a FAFSA:
   - Complete the FAFSA online at [www.fafsa.ed.gov](http://www.fafsa.ed.gov)
   - PDF FAFSA (download file) at [www.studentaid.ed.gov/sa/resources](http://www.studentaid.ed.gov/sa/resources)
   - Paper FAFSA (request a copy by calling 1-800-4-FED-AID)
   Applying online is generally faster and easier because FAFSA on the Web has a built-in guide to help you through the application process. It prompts you to answer key questions and may allow you to skip other questions and complete the application faster, and the schools you list on your application will receive your processed information faster.
   If you prefer a paper FAFSA request a copy by calling 1-800-4-FED-AID or 1-800-730-8913 TTY

   **IRS Data Retrieval Tool** – this tool allows applicants who have already filed their federal income tax returns to prefill the answers to questions on the FAFSA by transferring data from their federal income tax returns. While completing the online FAFSA or updating an existing FAFSA, eligible applicants will be provided with an opportunity to use the IRS Data Retrieval Tool. This can save time in completing the FAFSA and is also the easiest way to provide your tax data. It may also reduce the likelihood that your FAFSA will be selected for verification.

3. **Review the Student Aid Report (SAR)**
   You will receive a Student Aid Report with the student’s Expected Family Contribution (EFC) from the U.S. Department of Education after you complete the FAFSA. Review this report to ensure the information is accurate. If necessary, follow the instructions to make corrections.
4 **Submit Paperwork as Requested by the Financial Aid Office**

The financial aid office will request any needed paperwork including signed copies of tax returns (used for the FAFSA filing) and a verification worksheet. Occasionally, other documents may be required for verification purposes. The financial aid office will contact you to request these documents, if needed.

5 **Review your Financial Aid Award Notification**

You will receive an award notification (letter or email), which will show your estimated aid and costs of attending the school. You should sign and return the award letter, in order to accept the financial aid awarded. Contact the Financial Aid Office if you have any questions or concerns.

6 **Complete the Federal Student Loan MPN (Master Promissory Note)**

If you are accepting student loans, be sure to follow the school’s instructions to complete the Entrance Interview and required MPN.

7 **GO, STUDY, LEARN!**

---

**Caution!**

The FAFSA application is FREE! Make sure the website does not charge you for completing the FAFSA application.

**Remember!**

You must reapply for financial aid each year which also means completing the FAFSA each year you apply for financial aid.

---

*Photo courtesy of Arkansas State University Beebe*
Federal Student Aid Programs

There are three categories of federal student aid: grants, loans and work-study. Grants provide financial aid that does not have to be repaid. Loans provide borrowed money that must be repaid with interest. Work-study allows students to earn money to help pay for education expenses while enrolled in school.

Grants

- **Federal Pell Grants** are available to undergraduate students only (with one minor exception for teaching certification students). Grants do not have to be repaid. Pell Grant awards for the 2016-17 award year (July 1, 2016 to June 30, 2017) will range up to a maximum of $5,815.00. You can receive the Federal Pell Grant for no more than 12 semesters or the equivalent to six years.

- **Teacher Education Assistance for College and Higher Education (TEACH) Grants** provide up to $4,000 a year for undergraduate or graduate students who are completing coursework to become an elementary or secondary school teacher in a public or private elementary or secondary school that serves students from low income families and meets other requirements. Due to sequestration, award amounts have been reduced, for details please visit [https://studentaid.ed.gov/sa/types/grants-scholarships/teach](https://studentaid.ed.gov/sa/types/grants-scholarships/teach).

- **Iraq and Afghanistan Service Grants** are for students whose parent or guardian died as a result of military service in Iraq or Afghanistan after 9/11/2001, 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. The grant is for students who are not Pell-eligible. Students may receive up to $5,815.00. Due to sequestration, award amounts have been reduced, for details please visit [https://studentaid.ed.gov/sa/types/grants-scholarships/iraq-afghanistan-service](https://studentaid.ed.gov/sa/types/grants-scholarships/iraq-afghanistan-service).

Campus-Based Programs

Campus-based programs are administered by participating schools. There are three of these programs:

1. **Federal Supplemental Educational Opportunity Grants** are grants available for undergraduates only; awards range from $100-$4,000 based on financial need.

2. **Federal Work-Study** provides part-time jobs to undergraduate, graduate and professional students, allowing them to earn money to help pay education expenses. You can earn at least current minimum wage.

More information on federal student aid can be found at [www.studentaid.ed.gov](http://www.studentaid.ed.gov).
Loans

▪ **William D. Ford Federal Direct Stafford Loans** are student loans that must be repaid and are available to both undergraduate and graduate students. The federal government sets the interest rate and provides the funds for Stafford Loans through your school. A subsidized loan is awarded on the basis of financial need. If you’re eligible for a subsidized loan, the government will pay (subsidize) the interest on the loan while you’re in school, for the first six months after you leave school, and during any periods when payments are deferred (postponed). For an unsubsidized loan, you are responsible for the interest from the time the unsubsidized loan is disbursed until it is paid in full. For the current interest rate on Stafford Loans, visit [www.studentaid.ed.gov/sa/types/loans/interest-rates](http://www.studentaid.ed.gov/sa/types/loans/interest-rates).

▪ **Direct PLUS Loans** are unsubsidized loans made to parents of dependent undergraduate students and to graduate or professional students. A graduate or professional student must complete the Free Application for Federal Student Aid (FAFSA) and the school must determine the student’s eligibility for the maximum annual amount of a Direct Stafford Loan (subsidized or unsubsidized) before the student may apply for a PLUS Loan. A dependent undergraduate student whose parent is unable to obtain a PLUS Loan may borrow additional Stafford Loan funds at higher loan limits otherwise available only to independent undergraduates. Direct PLUS loans first disbursed on or after July 1, 2016, or before July 1, 2017, the interest rate is 6.31%.

**Loan Limits**

The following chart provides maximum annual and aggregate loan limits for subsidized and unsubsidized Direct Stafford Loans.

<table>
<thead>
<tr>
<th>Year</th>
<th>Dependent Undergraduate Student (except students whose parents are unable to obtain PLUS Loans)</th>
<th>Independent Undergraduate Student (and dependent students whose parents are unable to obtain PLUS Loans)</th>
<th>Graduate and Professional Degree Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Year</td>
<td>$5,500 (No more than $3,500 of this amount may be in subsidized loans.)</td>
<td>$9,500 (No more than $3,500 of this amount may be in subsidized loans.)</td>
<td>$20,500 (Unsubsidized Only.)</td>
</tr>
<tr>
<td>Second Year</td>
<td>$6,500 (No more than $4,500 of this amount may be in subsidized loans.)</td>
<td>$10,500 (No more than $4,500 of this amount may be in subsidized loans.)</td>
<td></td>
</tr>
<tr>
<td>Third and Beyond (each year)</td>
<td>$7,500 (No more than $5,500 of this amount may be in subsidized loans.)</td>
<td>$12,500 (No more than $5,500 of this amount may be in subsidized loans.)</td>
<td></td>
</tr>
<tr>
<td>Maximum Total Debt from Stafford Loans (aggregate loan limits)</td>
<td>$31,000 (No more than $23,000 of this amount may be in subsidized loans.)</td>
<td>$57,500 (No more than $23,000 of this amount may be in subsidized loans.)</td>
<td>$138,500 (No more than $65,500 of this amount may be in subsidized loans. The graduate debt limit includes Stafford Loans received for undergraduate study.)</td>
</tr>
</tbody>
</table>

Note: These annual loan limit amounts are the maximum yearly amounts you can borrow in both subsidized and unsubsidized loans. You can have one type of loan or a combination of both. Because you can’t borrow more than your cost of attendance minus any other financial aid you’ll receive, you may receive less than the annual maximum amounts. Also, the annual loan limits assume that your program of study is at least a full academic year.
There's never been a **better time**
to go to college
or an **easier way**
to apply for financial aid

Did you know the Arkansas Department of Higher Education awards approximately $120 million in grants and scholarships to students at Arkansas colleges and universities enrolled in programs for future welders, computer programmers, accountants, nurses, and hundreds of other fields? There may be financial aid for you but you won't know if you don't apply.

Take the first step and visit [scholarships.adhe.edu](http://scholarships.adhe.edu) for information about our programs or to complete the YOUniversal application. The information provided is current as of today and is presented for informational purposes only. The eligibility requirements and rules governing programs administered by ADHE are subject to legislative and regulatory amendments. You may e-mail the Financial Aid Division at [finaid@adhe.edu](mailto:finaid@adhe.edu) for additional information.

- Application period is from October 1 to June 1 for upcoming academic year
- Must complete FAFSA as well as YOUniversal scholarship application
- Download free YOUniversal app for any smart phone
Arkansas Academic Challenge

The Arkansas Academic Challenge Scholarship is being funded by proceeds from the Arkansas Scholarship Lottery, as well as general revenues.

Who can apply? High school seniors, college students who do not already receive this scholarship and adults desiring to return to school may all apply.

When to apply? The deadline is June 1st every year.

Even though this scholarship is not need-based, all applicants must fill out the Free Application for Federal Student Aid (FAFSA) in addition to the YOUniversal application.

Traditional Students (High school seniors) will qualify based on their high school performance. Students graduating from an Arkansas public high school, a private or out-of-state high school, or homeschool must have an ACT composite of at least 19 (or an equivalent score on an equivalent test).

Non-Traditional Students are defined as students who are currently in college and did not receive Challenge, as well as adults who have completed some college but do not have a degree. Non-traditional students will qualify with a cumulative college GPA of at least 2.5. If the college GPA is below 2.5, they can qualify with an ACT of 19 (or an equivalent score on an equivalent test). Adults with no college can qualify for the Arkansas Academic Challenge Scholarship if they have an ACT of 19 (or an equivalent score on an equivalent test).

Award:

<table>
<thead>
<tr>
<th>4 Year Institutions</th>
<th>2 Year Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000 freshman year</td>
<td>$1,000 freshman year</td>
</tr>
<tr>
<td>$4,000 sophomore year</td>
<td>$3,000 sophomore year</td>
</tr>
<tr>
<td>$4,000 junior year</td>
<td></td>
</tr>
<tr>
<td>$5,000 senior year</td>
<td></td>
</tr>
</tbody>
</table>

Previous recipients of the scholarship will continue to receive the amounts stipulated in their original award. Maximum award for four year institution is 120 hours and two year institution is five (5) semesters.

Renewal. Traditional students must enroll in at least 12 hours the first fall semester following high school graduation, and at least 15 hours each semester thereafter, to receive their funds that semester. They must complete at least 27 hours their first year, and at least 30 hours each year thereafter, with a 2.5 cumulative GPA. Non-traditional students may enroll in as few as six hours and still receive a pro-rated scholarship amount. They must also maintain a cumulative GPA of at least 2.5, and their continuing eligibility requirement is related to their semester enrollment.
Additional State Programs

For more information about these programs go to scholarships.adhe.edu

Governor’s Distinguished Scholars Program
Who May Apply: Governor’s Distinguished applicants must possess a 1410 SAT or 32 ACT composite score and a 3.5 GPA, or the standing of National Merit and National Achievement Finalist. If there is a county in Arkansas that does not have a Distinguished Scholar, the highest ranking applicant from that county will be awarded a Governor’s Distinguished Scholarship.
Award: 300 Scholars up to $10,000 per year.
Deadline: February 1

Higher Education Opportunities Grants (GO!)
Who May Apply: Undergraduates who have been accepted to an approved Arkansas institution and show financial need.
Award: Up to $1,000
Deadline: June 1

Law Enforcement Officers’ Dependents Scholarships
Who May Apply: Undergraduates who are dependent children or spouses of persons killed or permanently disabled in the line of duty as a law enforcement officer, firefighter, forester, correctional officer, Community Punishment Department or Transportation Department employees.
Award: Pays in-state tuition, mandatory fees, and on-campus room charges.
Deadline: June 1

Military Dependents Scholarships
Who May Apply: Students who are dependent children or spouses of persons who were killed or missing in action, who were prisoners of war or permanently and totally disabled through military service.
Award: Pays in-state tuition, on-campus room and board, and mandatory fees at eligible Arkansas institutions.
Deadline: June 1

The State Teacher Education Program (STEP)
Who May Apply: Eligible educators who are practicing in a geographic and/or subject shortage area of the state and have outstanding federal student loan debt.
Award: $3,000 to $4,000
Deadline: June 1

The Workforce Improvement Grant
Who May Apply: Students aged 24 and older who are considered non-traditional student returning to school.
Award: Up to $2,000
Deadline: Set by each institution
Other Types of Federal & State Assistance

Military Scholarships
Local National Guard or military reserve units may offer educational assistance in the form of scholarships or loans. Check with your school counselor or reserve officer for more information. Consult the National Guard website for more information on scholarships at http://www.nationalguard.com/tools/guard-scholarships. Military.com has a free scholarship search at http://offers.military.com/v/scholarships/flow.

Veterans and Children of Veterans
If you are an eligible veteran or the dependent of an eligible veteran, contact the regional Veterans Administration office that has records for you or your eligible parent. Funds may be available to cover a portion of your educational expenses. Educational benefits are usually paid directly to the recipient on a monthly basis. For more information on Department of Veterans Affairs’ benefits, call 888.Gi.BILL.1 (888.442.4551) to speak with a Veteran’s benefits counselor, or visit the website at www.gibill.va.gov.

Rehabilitation Services
A division of the Department of Career Education, Arkansas Rehabilitation Services (ARS) has been charged with providing opportunities for Arkansans with disabilities to lead productive and independent lives. The Arkansas Career Training Institute provides vocational training and employment opportunities to adult clients with disabilities. For more information, visit the website at http://ace.arkansas.gov/arRehabServices/Pages/default.aspx.
Saving For College

529 College Savings Plan for Arkansans
Arkansas GIFT College Investing Plan: www.arkansas529.org

Our state is much more than a great place to live. It can also be a great place to save for college, thanks to the Great Investment For Tomorrow, or GIFT, AR 529 Plan. With the Arkansas 529 GIFT Plan, sponsored by the state of Arkansas, your savings can grow tax-deferred through a wide variety of Vanguard investment options. Later, the money can be withdrawn tax-free to pay for qualified higher education costs like tuition, room & board, computers, books and supplies at nearly any two- or four-year college, university, vocational, or trade school.

Your Arkansas 529 GIFT Plan offers the flexibility to use funds at any eligible, accredited public or private college, university or trade school worldwide; up to a $5,000 Arkansas tax deduction ($10,000 for married couples); tax-free withdrawals for qualified expenses; and an automatic investment plan for as little as $10/month.

For every milestone, birthday or holiday in your child’s life, friends & family members may contribute to your child’s college savings in lieu of traditional gifts. Contributions can go directly to your account with a Ugift code. Additionally, you may add to your college savings from online purchases, dining out, and other day-to-day spending. Link your Upromise account with your Arkansas 529 GIFT Plan account to transfer savings automatically to your 529 plan account on a periodic basis (subject to a $25 minimum).

It takes as little as 15 minutes to enroll online at www.arkansas529.org. Follow us @Arkansas529 or call 1-800-587-7301 to talk to your Arkansas 529 GIFT Plan team today.

Coverdell Education Savings Account
IRS Coverdell ESA Information: www.irs.gov/taxtopics/tc310.html

A Coverdell Education Saving Account (ESA) is a tax-advantaged investment account designed to encourage savings to cover future education expenses (elementary, secondary or college), such as tuition, books, uniform, etc. It is found at Section 530 of the Internal Revenue Code (26 U.S.C. § 530). The tax treatment of a Coverdell ESA is similar to 529 plans with a few differences. Like a 529 plan, a Coverdell ESA allows money to grow tax deferred and proceeds to be withdrawn tax free for qualified education expenses at a qualified institution. However, the definition of qualified expenses in an ESA includes primary and secondary school, not just college and university. The total contributions for the beneficiary of this account cannot be more than $2,000 per year. The account is named for its primary supporter in the U.S. Senate, the late Senator Paul Coverdell.

U.S. Savings Bonds
U.S. Department of the Treasury information on Savings Bonds: www.treasurydirect.gov

EE and I bonds purchased after 1989 by someone at least 24 years old may be redeemed tax-free when the bond owners, their spouses, or dependents pay for college tuition and fees. Beginning in 2011, the tax exclusion was phased out at certain income limits specified at www.treasurydirect.gov.

Individual Retirement Accounts
IRS Information on IRAs: www.irs.gov

Early withdrawal penalties are waived when Roth IRAs and traditional IRAs are used to pay the qualified post-secondary education costs of yourself, your spouse, your children, or your grandchildren.
Federal Tax Credits & Benefits

**American Opportunity Tax Credit**
Parents may claim a tax credit for 100% of the first $2,000 and 25% of the next $2,000, of a dependent child’s college tuition and mandatory fees, for a maximum $2,500 annual tax credit per child. Students may claim the credit only if they are not claimed as a dependent on another person’s tax return. The credit is phased out for incomes between $80,000 and $90,000 (between $160,000 and $180,000 for married taxpayers filing jointly). The credit is allowed only for students who are attending a degree program at least half-time and who have not completed their first four years of academic study before the beginning of the taxable year. It cannot be claimed in more than four tax years for any one student. [www.irs.gov](http://www.irs.gov)

**Lifetime Learning Credit**
A taxpayer may claim a tax credit for 20% of up to $10,000 in combined tuition and mandatory fees for himself, his spouse, and his dependent children. This equates to a $2,000 tax credit. The credit was phased out for incomes between $55,000 and $65,000 (between $110,000 and $130,000 for married taxpayers filing jointly). Claiming the American Opportunity credit described above means that you may not claim a Lifetime Learning credit for any of that student’s expenses in the same tax year. There is no requirement that the student be studying towards a degree or be enrolled at least half-time, and there is no limit on the number of years the credit may be taken. [www.irs.gov](http://www.irs.gov)

**Deduction for Student Loan Interest**
Up to $2,500 in student loan interest may be deducted above-the-line as long as the debt was incurred to pay the college costs for yourself, your spouse, or your dependent, while enrolled as a student at least half-time in a degree program. In 2011, the deduction was phased out for incomes between $60,000 and $75,000 (between $120,000 and $150,000 for married taxpayers filing jointly). A student claimed as a dependent may not take the deduction on his or her own return. [www.irs.gov](http://www.irs.gov)

**Tax-Free Education Assistance**
Employers may pay and deduct up to $5,250 in college and graduate school costs for each employee under a Section 127 educational assistance plan. The education does not have to be job-related. The benefit is tax-free to the employee, but cannot be used to pay for an employee’s children or other family members. For more information on tax incentives for education, see IRS Publication 970, Tax Benefits for Higher Education, available at [www.irs.gov](http://www.irs.gov).

**Tuition and Fee Deduction**
A tax deduction up to $4,000 for tuition and fees from taxable income if you or anyone claims you as a dependent submits an American Opportunity, Hope or Lifetime Learning Credit in the same year. Details and additional information are available at [www.irs.gov](http://www.irs.gov).
High School Checklists

Whether you’re just starting to plan for college, or you’re already midway through your senior year, it is never too late to look at the checklists. If you’re already a senior, look back and make sure you have completed all previous steps. If you’re a freshman, look ahead to find out what you need to complete.

Remember these are guidelines to help you plan for college. You may be surprised how many of the items on the list you have already done as part of your college planning, and don’t get worried if you haven’t checked off everything on the list. Start planning now!

Freshman Year Checklist

1. Talk to your school counselor to make sure your high school course schedule is on the right track for preparing for college. Many scholarships in Arkansas require students to take Smart Core. Smart Core is the college and career ready set of courses that is the default curriculum for all Arkansas public high school students. For more information visit the Arkansas Department of Education’s website at www.arkansased.org.

2. Be sure to take Algebra or Geometry (or a higher level math class, if appropriate). Students who take advanced math in high school, such as Algebra II or higher by the time of graduation, are far more likely to attend college and graduate than those who do not take advanced math classes. Many colleges and universities require four years of high school math, and Smart Core also requires 4 math credits.

3. You and your family should continue to put extra dollars into a college fund. (See page 14 for more information on savings and how savings can affect financial aid.)

4. Start to learn about college financial aid, federal and state resources that are available, and how you can use those resources to help pay for college.

5. If possible, take part in programs or courses that are offered on college campuses near your home. Many colleges offer simultaneous enrollment possibilities, Saturday programs, summer programs, etc. that are geared specifically towards high school students. Seeing different campuses and experiencing campus life at an early age can help you see yourself as a future college student.

6. Be involved in extracurricular activities. Participation in clubs, athletic teams, music groups, journalism, etc. will be an important factor in many college admission decisions. You should get involved in school life, but naturally, not to the point where it harms your academic endeavors.

7. Document all of your extracurricular activities, volunteerism, awards, or leadership in a notebook or folder. You will be asked to list these on college applications as well as write essays reflecting on the experiences. Having this material easily accessible will make the application process much simpler.
Sophomore Year Checklist

1. Register for and take the PSAT (pre-SAT) and/or PLAN (pre-ACT) during your sophomore year. This provides a good chance to practice for these important college entrance tests. Utilize free test preparation resources available online and elsewhere. The SAT and ACT web sites both offer free practice tests as do web sites that focus specifically on college entrance exam test preparation, including www.number2.com and www.march2success.com.

2. Consider your career interests and goals once again. Talk with your school counselor and others about these interests and find out the kind of education you will need to meet your career goals.

3. Check once again to be sure your course schedule is matching up with your intended diploma and the career path you want to pursue. If you do not have a clear career path at this point, be sure you are on a high school diploma track that will maximize your college options.

4. Begin to consider what you may want in a college. Search web sites and other resources for more information on colleges that peak your interest.

5. Start visiting colleges. Schedule a tour or attend a general information session at area colleges. Take advantage of on-campus programs at local colleges whenever possible.

6. Continue documenting your in-school achievements and activities (athletics, music, etc.) Having this information handy and well-organized will be very important when it comes time to complete college and scholarship applications.

7. Continue to save for college. Every family must contribute toward the cost of attending college. Although the college years may not be far off, remember that anything you and your family can put away now will be welcomed assistance when the time comes.

Photo courtesy of University of Central Arkansas
Junior Year Checklist

1. Your course schedule should reflect all necessary college preparatory classes. Be sure to take as challenging a course schedule as you can handle, including any AP and honors classes, when available and appropriate.

2. Register in early fall for the October PSAT. This test will serve as the National Merit Scholarship Qualifying exam and is a good practice for the SAT.

3. Utilize free test preparation resources available online and elsewhere. The SAT and ACT web sites offer free practice tests as do web sites that focus specifically on college entrance exam test preparation, including www.number2.com and www.march2success.com.

4. Continue to research state and federal financial aid programs.

5. Start searching for scholarship opportunities. Make a timeline for application deadlines for your senior year. Explore free scholarship search websites, such as www.fundmyfuture.info.

6. Begin to make a list of your college selection priorities.

7. Investigate potential colleges of interest. Use catalogs, publications, web sites, college fairs and online college campus tours to gather more information.

8. Register for and take the SAT or ACT in the spring. Find out what tests are required by the colleges you are considering attending.

9. In the spring, register for and complete AP tests for any AP courses you are currently taking in high school.

10. Register with the NCAA Eligibility Center if you plan to play sports at a Division I or II college (beginning in the summer following your junior year).

11. Begin to visit college campuses. While summer is often a convenient time for families to schedule campus visits, it is not always the best time to see a school. Try to visit a college when classes are in session and students are on the campus. That way, you can get a feel for campus life, meet professors and staff, attend a class, and eat a meal on campus.

12. Be aware of how your spring and summer earnings during and following the junior year can affect financial aid.

13. Continue to save for college. Remember that the federal government assumes every family will contribute something toward the cost of attending college. Although your college years may not be far off, remember that anything you and your family puts away now will be welcomed assistance when the time comes.

14. Complete the FAFSA4caster that will provide basic information and will estimate your eligibility for federal student aid. Get an early start and complete this application at www.fafsa.ed.gov.
Senior Year Checklist

1. Write an early draft of a college and/or scholarship application essay over the summer or early in the fall. You will need time to refine your college essays. Have others critique the initial draft you compose.

2. Continue a solid, college prep curriculum. Your senior year schedule and performance will be important in college admission decisions.

3. Register for and take the fall ACT and/or SAT and Subject Tests (if needed).

4. Utilize free test preparation resources available online and elsewhere. The SAT and ACT web sites offer free practice tests as do web sites that focus specifically on college entrance exam test preparation including www.number2.com and www.march2success.com.

5. Continue college visits; narrow down college options. Make sure you take advantage of overnight visits at the colleges you are seriously considering.

6. Complete and mail college and scholarship applications paying close attention to deadlines. Be aware of special admission options such as Early Decision and Early Action.

7. It is a good idea to apply to at least one college to which you have a very good chance of being admitted. While there is certainly nothing wrong with applying to your dream school, don’t limit your postsecondary options by only applying to highly competitive schools.

8. Register with the NCAA Eligibility Center if you plan to play sports at a Division I or II college (if you haven’t done so already).

9. Submit the FAFSA as soon as possible after October 1. You can file online at www.fafsa.ed.gov. Submit any other financial aid forms required by the college(s) you may attend and check to be sure the college(s) you are still seriously considering do not have earlier dates by which any of the financial aid-related forms must be filed.

10. Complete the YOUniversal application to apply for scholarships and grants funded by Arkansas Scholarship Lottery and general revenues at scholarships.adhe.edu. Application opens October 1 and closes June 1.

11. Review the Student Aid Report (SAR) and financial aid award packages from the colleges you applied to, after submitting the FAFSA and receiving your results.

12. Make on-site visits to your final college choices and meet with admissions and financial aid.

13. Submit the enrollment deposit to the college you plan to attend by May 1 (National Candidate Reply Date), or other date as designated by the college.

14. Register for and complete AP tests for any AP courses you are taking.

15. File any necessary loan paperwork, housing information, etc. that may be required by the school.

16. Attend the on-campus orientation/registration sessions offered to students and parents at the college you will attend.

17. Continue to save for college. Every family must contribute towards the cost of attending college. Although your college years will begin next fall, remember that anything you can put away now will be welcomed assistance when the time comes.
Resources

Before you start...
Read carefully when accessing resources and services on the Web and make sure there are no hidden charges. The resources listed below offer free college planning tools.

Financial Aid & Scholarships

Arkansas Department of Higher Education: scholarships.adhe.edu
You can access the YOUniversal Application for all state financial aid programs at this site; no other applications are needed.

Arkansas Student Loan Authority: www.asla.info
ASLA is a nonprofit state agency created to provide access to and information about educational funding for all Arkansas students who wish to attend institutions of higher education. In addition to student loan servicing, ASLA partners with colleges and universities to assist student loan borrowers in successfully managing their student loan debt.

Fund My Future: www.fundmyfuture.info
Learn the basics on how to prepare for college. This site will give you college planning tips including how to pay for college by taking advantage of financial aid such as scholarships, grants and loan options. Conduct a free online scholarship search and apply for our $1,000 scholarship. Fund My Future is the college planning service offered by the Arkansas Student Loan Authority.

Fast Web: www.fastweb.com
Check out FastWeb.com for local, national and college-specific scholarships.

FAFSA on the Web: www.fafsa.ed.gov
File your FAFSA online which speeds up the financial aid process. This U.S. Department of Education electronic form is required at all colleges for financial aid purposes.

FAFSA4caster: www.fafsa.ed.gov
High school juniors can begin exploring financial aid options and get an early start by utilizing this tool from the U.S. Department of Education.

Student Aid on the Web: www.studentaid.ed.gov
 Maintained by the U.S. Department of Education to help you understand the financial aid process.

Mapping Your Future: www.mappingyourfuture.org
Guides you through the financial aid process plus assists students with choosing a school and planning a career.

Degree Matters: www.degreematters.org
An initiative provided by the Arkansas Association of Two-Year Colleges to increase the number of Arkansans with Associate's Degrees.

College Information & Selection

College Virtual Tours: www.eCampusTours.com
View over 1,300 college campuses from one website. Includes college planning information and links to college websites.

College Information: www.petersons.com
A comprehensive guide that helps you find the best colleges and universities for your educational goals and career plans.
Test Preparation

March 2 Success: [www.march2success.com](http://www.march2success.com)
A free tool providing materials to help improve scores on the SAT, ACT, State Exit Exams, and ASVAB. Maintained by the U.S. Army.

Number 2: [www.number2.com](http://www.number2.com)
Created by university professors and graduate students to offer free test prep tutorials for standardized tests: ACT, SAT and GRE.

The College Board: [www.collegeboard.org](http://www.collegeboard.org)
Detailed information on taking the SAT standardized test plus online SAT registration. All aspects of going to post-secondary school are addressed on this site including career and college selection.

ACT: [www.ACT.org](http://www.ACT.org)
Offers valuable information about the ACT test, online registration, and sample questions are offered to help you prepare for the ACT standardized test.

Career Information & Selection

Exploring Your Career: [www.bls.gov/ooh](http://www.bls.gov/ooh)
Detailed career descriptions are available on this site, as well as information to help you connect majors with careers. This site is operated by the Bureau of Labor Statistics.

The College and Career Planning System helps equip students and adults with the skills and education required for the opportunities that await them. The online resource provides tools and new information that will guide your career and college plans. Whether you’re a student looking for career ideas, an adult looking for a new career or a business searching for qualified employees, all Arkansans can find help here.

Real Life in Arkansas: [https://www.workforce.arkansas.gov/real-life/](https://www.workforce.arkansas.gov/real-life/)
Provides information on budgeting, salaries in Arkansas, and careers that match your projected monthly expenses.

Miscellaneous

International Education Financial Aid: [www.iefa.org](http://www.iefa.org)
IEFA is a resource for financial aid, college scholarship and grant information for U.S. and international students that wish to study abroad. Provides a free scholarship search.

Study in the USA: [www.studyusa.com](http://www.studyusa.com)
Provides helpful information for international students that wish to study in the United States. Includes a comprehensive online directory of U.S. schools.

National Collegiate Athletic Association: [www.ncaa.org](http://www.ncaa.org)
A resource for regulations and requirements for athletic scholarships and participation.

Student Loan Help For Arkansas: [www.facebook.com/StudentLoanHelpForArkansas](http://www.facebook.com/StudentLoanHelpForArkansas)
A resource for federal student loan assistance, default prevention and loan repayment options. Maintained by AASFAA (Arkansas Association of Student Financial Aid Administrators).

National Student Loan Data System: [www.nslds.ed.gov](http://www.nslds.ed.gov)
The National Student Loan Data System (NSLDS) is the U.S. Department of Education’s (ED’s) central database for student aid. NSLDS receives data from schools, guaranty agencies, the Direct Loan program, and other Department of ED programs. NSLDS Student Access provides a centralized, integrated view of Title IV loans and grants so that recipients of Title IV Aid can access and inquire about their Title IV loans and/or grant data.
The Federal government is very serious about collecting student loans. If you do not repay your student loans you will face the following consequences.

**Excessive Collection Fees & Interest**
You will be charged collection fees of up to 25% of your balance along with interest that will be added to your loan balance. The amount you originally borrowed can easily double due to fees and interest.

**Negative Credit Rating**
Student loan delinquencies and defaults are required by federal law to be reported to the national credit reporting agencies. Negative credit information will affect your ability to rent an apartment, buy a car, receive a credit card or buy a home; it can also cause you to have higher insurance rates.

**Wage Garnishment**
The U.S. Department of Education can require your employer to deduct loan payments from your paycheck. The wage garnishment program is used for borrowers who refuse to pay their student loan.

**Loss of Income Tax Refund**
If you normally receive a refund after filing taxes, a defaulted student loan can change that. Your federal and state income tax refunds can be taken to be applied to pay your loan.

**Employment Risks**
Employers may require credit checks to be performed on prospective employees since a credit history can be an indicator of an individual’s ability to handle responsibilities.

**Legal Action**
You may be sued by the U.S. Department of Education. Litigation can be pursued in State and Federal District Court for the outstanding balance plus attorney’s fees and court costs.

**Bankruptcy Doesn’t Help In Most Cases**
In most cases, federal student loans are not able to be discharged through bankruptcy. Borrowers must prove that repaying the loan would be an “undue hardship”; relatively few student loans are forgiven through the “undue hardship” provision.

**Can I Afford to Default?**
Allowing your student loans to default will result in unnecessary agony and expense. There are several repayment options available to borrowers along with deferments and forbearances to help manage or delay monthly payments. The most important thing you can do is to discuss your situation with your loan holder in order to determine your best options. Remember, the federal government will not forget that you borrowed the money.
STUDENT LOANS: TAKE IN MODERATION

SIDE EFFECTS

Excessive dosage may cause:

• Financial despair
• Loss of sleep
• Poor credit rating (inability to purchase a home, auto, etc.)
• Excessive collection fees, penalties and interest

WARNING:
You should never pay to receive help with your financial aid or student loans.

Message sponsored by:
Arkansas Association of Student Financial Aid Administrators
Arkansas Student Loan Authority

For Student Loan Help:
855-275-1200
STUDENTLOANHELP@AASFAA.NET

$20,000 a year for college?
Contact your high school counselor or email us at fundmyfuture@asla.info for your copy.