



The College Funding Strategies Newsletter



Spring is here and graduation is on the horizon for seniors! Here are some great ideas for gifts. We have also included information on college loan programs.

GRADUATION GIFTS

With Graduation right around the corner how about these ideas for gifts? From inexpensive to more costly, these are just some ideas.

- Phone cards
- Rolls of quarters - laundry and emergency phone calls!
- Gift certificates to restaurants near your campus - Starbucks, Barnes & Noble and Walmart
- George Forman Grill
- TV/VCR Combo
- Cell phone - not enough for you? Try the T68i Wireless Phone from Sony/Ericsson also doubles as a digital camera, you will find it at www.sonyericsson.com
- Mini-fridge - look for the the Vector mini-fridge at Target Stores, it can keep things cool and warm!
- Personal Organizer - check out the Palm Zire at www.palm.com
- Lap-top Computer - check with your school before purchasing this to make sure they do not require you to rent one from them.

COLLEGE LOAN PROGRAMS

There are many different types of education loans. Learn about federal and private education loans so that you can find the right loan to help pay for your education.

Federal Education Loans

Federal programs are the single largest source of education loans. The two primary programs are the Federal Family Education Loan Program (FFELP) and the William D.

College Funding Strategies

Brian A. Irving

1055 Parsippany Blvd. - Suite 200
Parsippany, NJ 07054

www.collegefundingstrategies.org

E-mail: collegefundingstrategies@attglobal.net

Phone: (973) 335-4084

Fax: (973) 335-5135

Ford Federal Direct Loan Program (FDLP). The loans available through these programs start with the same terms; however, in the FFELP, your bank, credit union, or school is the lender, and in the FDLP, the U.S. Department of Education is the lender.

Here are some widely used federal education loans: Federal Perkins Loans, Federal Stafford Loans, PLUS Loans.

Private Education Loans

Private education loans are also available from a variety of sources to provide supplemental funding when other financial aid does not cover costs. These loans are not sponsored by government agencies, and are offered by banks or other financial institutions. Sallie Mae's private loan program for undergraduate and graduate studies is the Signature Education Loan Program, a comprehensive source of funding whereby federal private loans are offered as a package from a single, convenient source.

Federal Stafford Loans are the most common source of education loan funds, and are available to both graduate and undergraduate students. There are two types, Federal Subsidized and Federal Unsubsidized.

Subsidized

Subsidized loans are need-based. The federal government pays the interest on these loans while the student is in school and during the grace period before repayment begins. The terms and conditions of the program are explained below.

You must be a U.S. citizen or permanent resident; full or half time undergraduate or graduate student to be eligible. A credit check is not required. The loan limit is: 1st year \$2,625, 2nd year \$3,500, 3rd and 4th year \$5,500 and graduate students \$8,500.

Interest rate: Annual limits are variable and may change on July 1. For loans disbursed on or after July 1, 1998, rates are set: During in-school, grace or deferment, rate based on 91 day T-bill rate +1.70%. During repayment periods, based on 91 day T-bill +2.30%. Capped at 8.25%. Based on current rates.

Total origination or insurance fees: 4% (3% to the federal government and 1% to the state or regional guaranty agency to cover administrative costs). Repayment term is up to 10 years. Minimum payment is \$600 per year (\$50 per month per FFELP loan account). If you take out Stafford loans from more than one lender you may be required to make more than one minimum payment. Regarding the interest subsidy the government pays interest on the loan while you are in school or during any grace period. Repayment begins following a 6-month grace period after leaving school.

Unsubsidized

These loans are available for students who don't qualify for subsidized loans. You, the borrower, are responsible for the interest on these loans as soon as it is taken out. Most of the terms and conditions of subsidized and non-subsidized Stafford loans are the same. To be eligible you must be a U.S. citizen or permanent resident, full or half time under-graduate or graduate student who is non-need based. There is no credit check required. Unpaid interest will be capitalized at the start of repayment and at the end of any deferment. If borrowers obtain forbearances, interest may be capitalized no more frequently than quarterly, and again at the end of the forbearance period. Total origination or insurance fees are 4% (3% to the federal government and 1% to the state or regional guaranty agency, to cover administrative costs. Must be repayed within 10 years with a minimum payment of \$600 per year (\$50 per month per FFELP loan account). Repayment begins following a 6-month graceperiod after leaving school.

PLUS Loans

The federally sponsored Parent Loan for Undergraduate Students (PLUS) is a low-interest education loan for parents of undergraduate dependent students. PLUS lets parents fund the entire cost of the student's education (less student financial aid). This includes books, supplies, living expenses, as well as direct costs like tuition and room and board. The interest rate for the PLUS loan is variable and may change annually, but will never exceed 9%. For loans disbursed between July 1, 2002 and June 30, 2003, the PLUS loan interest rate is 4.86%. Also, Sallie Mae offers the largest variety of repayment options, which makes the PLUS loan very affordable for parents.

CLIENT CORNER

If you are the parent of a Junior and your child has not had a student interview, please call our office to schedule one. This will give your child the opportunity to have an interview with our staff. It is good practice for college interviews and it will get them on track for college visitations. If you have already had a student interview and would like to update your career or college search, please call our office so we can forward the materials to you.

Parents of Seniors: If you have still not let us know where your child has been accepted, please email, fax or call us. It is important that we receive a copy of the award letters your child has received. This gives us an opportunity to monitor the acceptance qualifications and award packages for individual schools. If you have not sent us your 2002 income tax, please do so as soon as possible. The deadline for FAFSA updates is fast approaching.

NEW CLIENT SERVICES!

We are very excited about the new programs happening in our office! If you are interested in these please call us so we can give you more details.

College Funding Strategies Essay Program

The Essay.....it is one of the stumbling blocks of the college application process. We have retained the services of a tenured English teacher who will spend time with your child assisting and correcting their essay until it is just right.

College Funding Strategies Scholarship

We are extending the opportunity to our graduating Senior Clients to apply for a College Funding Strategies Scholarship valued at \$350.00 Senior's check your mailbox for further details.

College Funding Strategies - Money Management Workshop

For graduating Senior clients only! This workshop will help you plan and budget for your freshman year at college and beyond. We will be discussing college loans, budgeting your money, college scams and much more! Look for your invitation in the mail!

Mistermac SAT Prep

SAT's are one of the top three things that colleges look at when the acceptance process begins.

We are working in partnership with Mistermac SAT Prep in Denville. If your child has not taken an SAT prep class this is the perfect way to increase their scores. Please call our office so we can send you the discount coupon for Mistermac.

Email Reminders

Look for our monthly email reminders. This will keep you up-to-date on the things you and your child can be doing to make the college process smoother. If your email has changed please let us know so we can send you this information.

Morris County College

College Fair

Sunday, October 14th

12:00 p.m. - 3:00 pm.



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