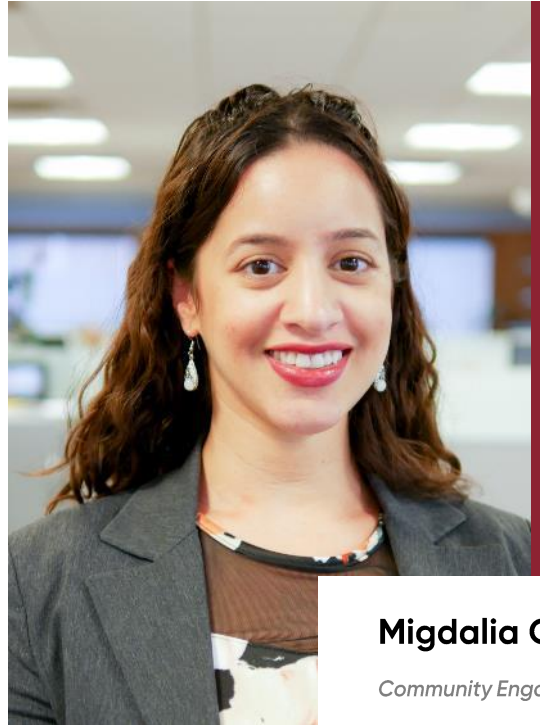




# HARVARD UNIVERSITY EMPLOYEES CREDIT UNION

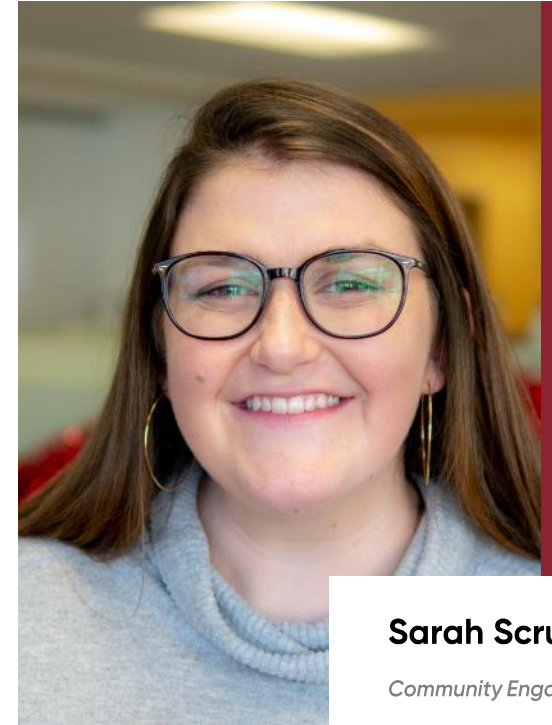
Comparing Award Letters

# Today's Presenters



**Migdalia Gomez**

*Community Engagement Manager*



**Sarah Scruggs**

*Community Engagement Specialist*





# Today's Webinar

## Reducing Background Noise

We've muted all attendees to help with audio quality.

## Using the "Questions" Feature

Submit questions at any point. Let's test it!

## Presentation & Recording

This presentation is being recorded and will be posted on our YouTube channel to re-watch.

# The Credit Union Difference



## **Better Value**

As a not-for-profit, HUECU puts members first in the form of better rates on savings and loans, lower & fewer fees, and more free services and perks.

## **Better Service**

Credit unions consistently outperform banks in metrics of customer service and satisfaction. You have a name not just an account number here.

## **Better Business Model**

The member controlled co-op model is always focused on operating in the best interests of our members.

## **Better For the Community**

Your money stays local when you bank with HUECU. We give back to our community by offering financial education programs and support for local charitable organizations.



Mass General Brigham

# Employee Assistance Program

Assessment, Short-term Problem Solving and Referral

## Personal & Wellbeing

Stress/Resilience  
Depression/Anxiety  
Domestic Violence  
Grief/Loss  
Addictions  
Relationships



## Workplace

Staff Support During Difficult Times  
Manager Consultations  
Workplace Issues  
Work & Life Webinars /Seminars

## Family & Life

Childcare  
Financial  
Eldercare  
Legal  
Parenting  
Lactation

866-724-4327

[eap.partners.org](http://eap.partners.org)





# COLLEGE FINANCING

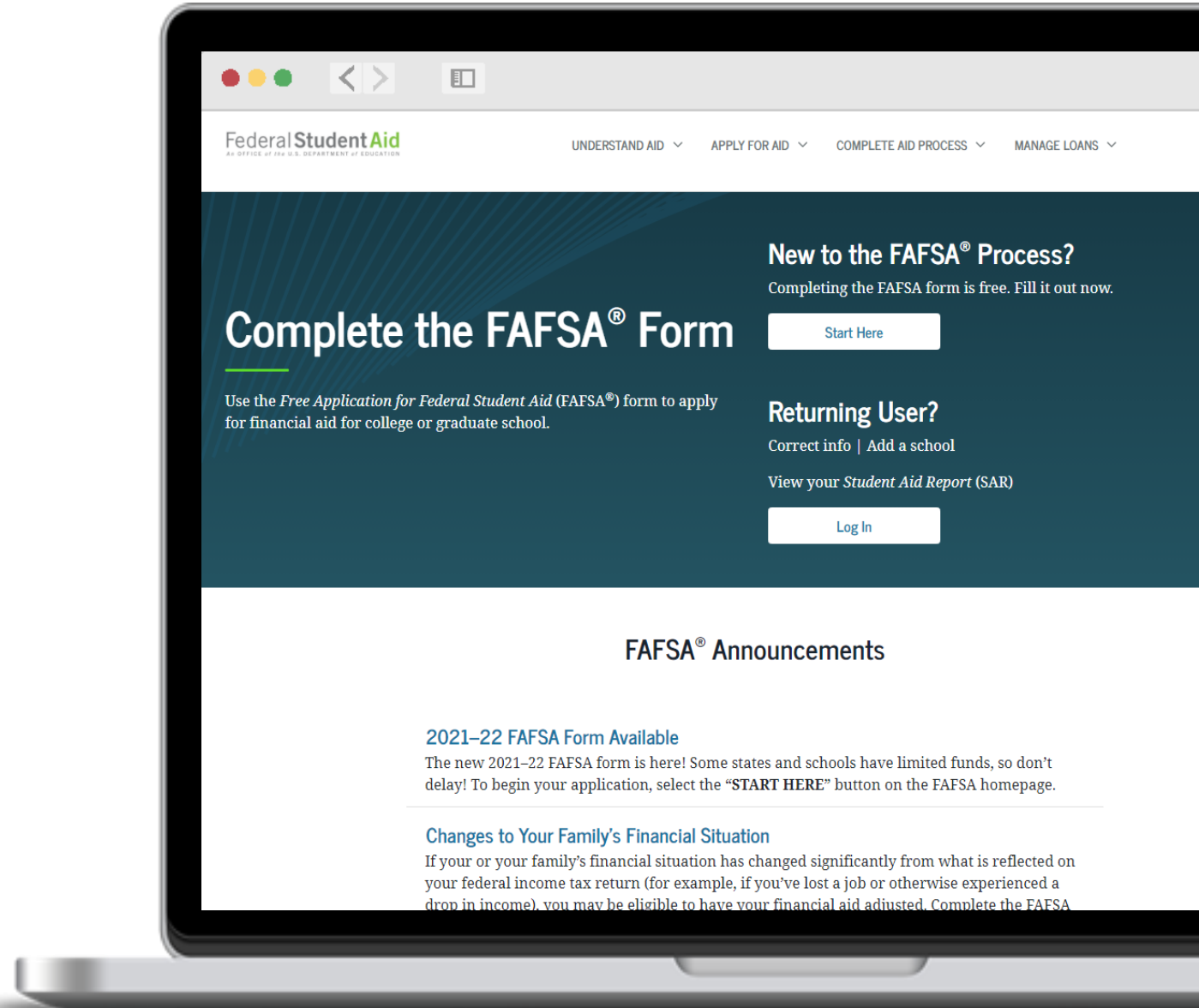
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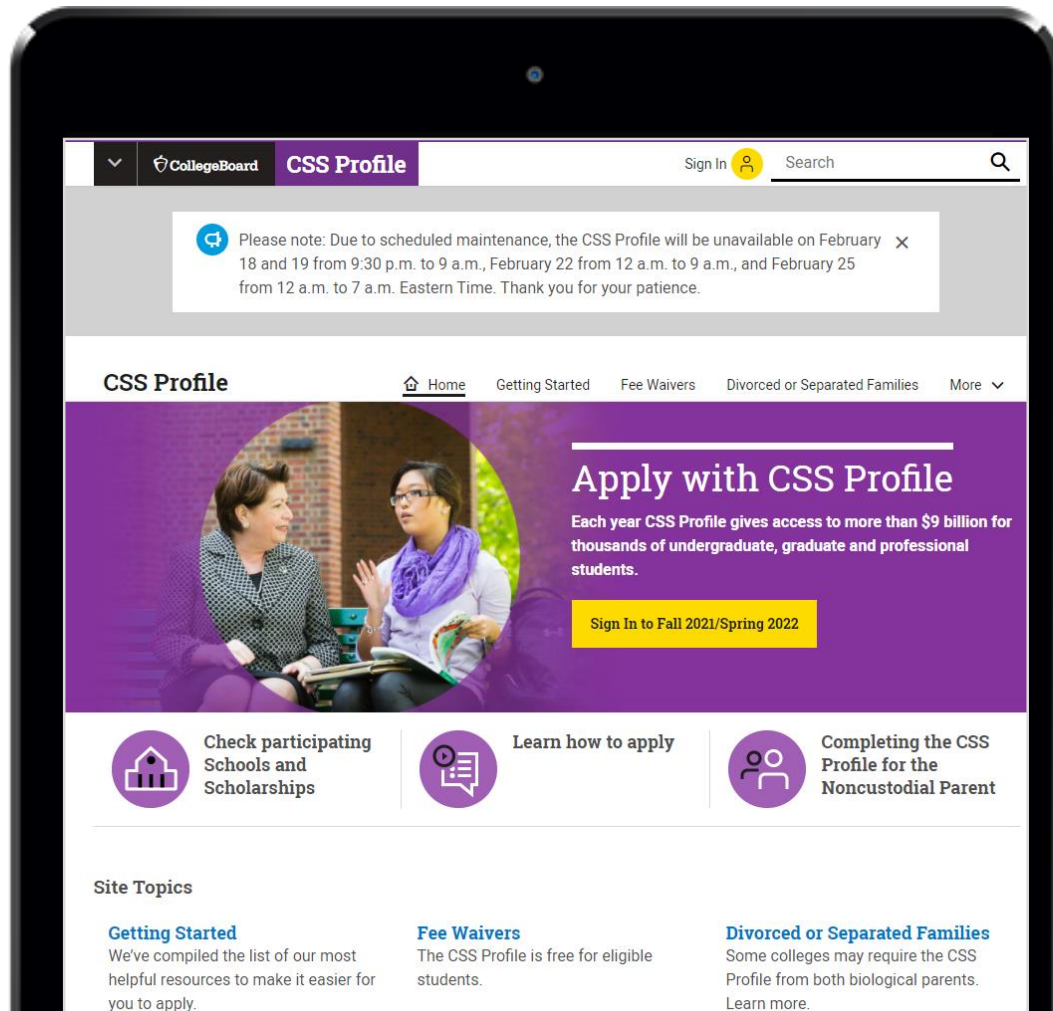
# Federal Aid

Make sure you complete the FAFSA Form first.

# FAFSA.GOV



# Other Aid



**COLLEGE FINANCIAL AID**



**CSS PROFILE**

**CSSPROFILE.COLLEGEBOARD.ORG**





# **AWARD LETTER**

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# Types of Financial Aid



## Federal Work-Study

Would come in the form of a paycheck and is not deducted directly on your bill. This is not a guaranteed offer of employment.



## Loans

Your award letter will contain Federal Student Loan options available to the student.



## Grants & Scholarships

Any merit, athletic, or talent based grant aid will be listed on the letter as well.

# Need and/or Merit Based Aid

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## Need-Based

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### Based On

Based on family's financial need

### Includes

Grants, loans and/or work-study

### All Federal

All federal and most state aid based on need



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## Merit-Based

---

### Recognition Based

In recognition of student achievements

### Often Compared

To other students in the incoming class

### Renewable

May or may not be renewable



# Federal Grants & Scholarships

[studentaid.gov/understand-aid/types/grants#types](https://studentaid.gov/understand-aid/types/grants#types)

- ✓ Federal Pell Grant
- ✓ Federal Supplemental Educational Opportunity Grant (FSEOG)
- ✓ Iraq and Afghanistan Service Grant
- ✓ Teacher Education Assistance for College and Higher Education (TEACH) Grant





# Types of Student Loans

1

## Federal

Direct subsidized and unsubsidized, Perkins and PLUS (parent and graduate).

2

## State

Some states offer student loans for residents or students studying in their state.

3

## Private

Offered by credit unions, banks, universities/schools and private companies.





# Federal Direct Subsidized and Unsubsidized Loans

## Formerly Stafford Loans

Federal loans have changed, you might see Stafford or Direct Loans.

## No Credit Check

The student is borrower, no credit check required

## Subsidized

Subsidized loans are only available to qualifying undergraduates



## Deferment

You can defer while enrolled at least half-time

## Grace Period

After graduating you have a 6 month grace period before payments start.

## Rates

Your rates are based off when you borrowed the loan.



# Federal Direct Subsidized and Unsubsidized Loans

UNDERGRADUATE STUDENTS	DEPENDENT	INDEPENDENT STUDENTS	MAXIMUM SUBSIDIZED
FIRST YEAR	\$5,500	\$9,500	\$3,500
SECOND YEAR	\$6,500	\$10,500	\$4,500
THIRD YEAR & BEYOND	\$7,500	\$12,500	\$5,500
AGGREGATE LIMIT	\$31,000	\$57,500	\$23,000

GRADUATE STUDENTS	ANNUAL LIMIT	AGGREGATE LIMIT (FOR GRAD. & PROFESSIONAL STUDENTS)
	\$20,500	\$138,500

# Federal Direct Subsidized & Unsubsidized **Loans**

<b>BORROWER</b>	Student is borrower, no credit check required
<b>UNDERGRAD RATE</b>	<b>2.75% FIXED RATE</b> (7/1/20 before 7/1/21)
<b>GRADUATE RATE</b>	<b>4.30% FIXED RATE</b> (7/1/20 before 7/1/21)
<b>GRACE PERIOD</b>	<b>6 months</b>
<b>LOAN FEE</b>	<b>1.057%</b> (10/1/20 before 10/1/21)



# Federal Plus & Graduate Plus Loan

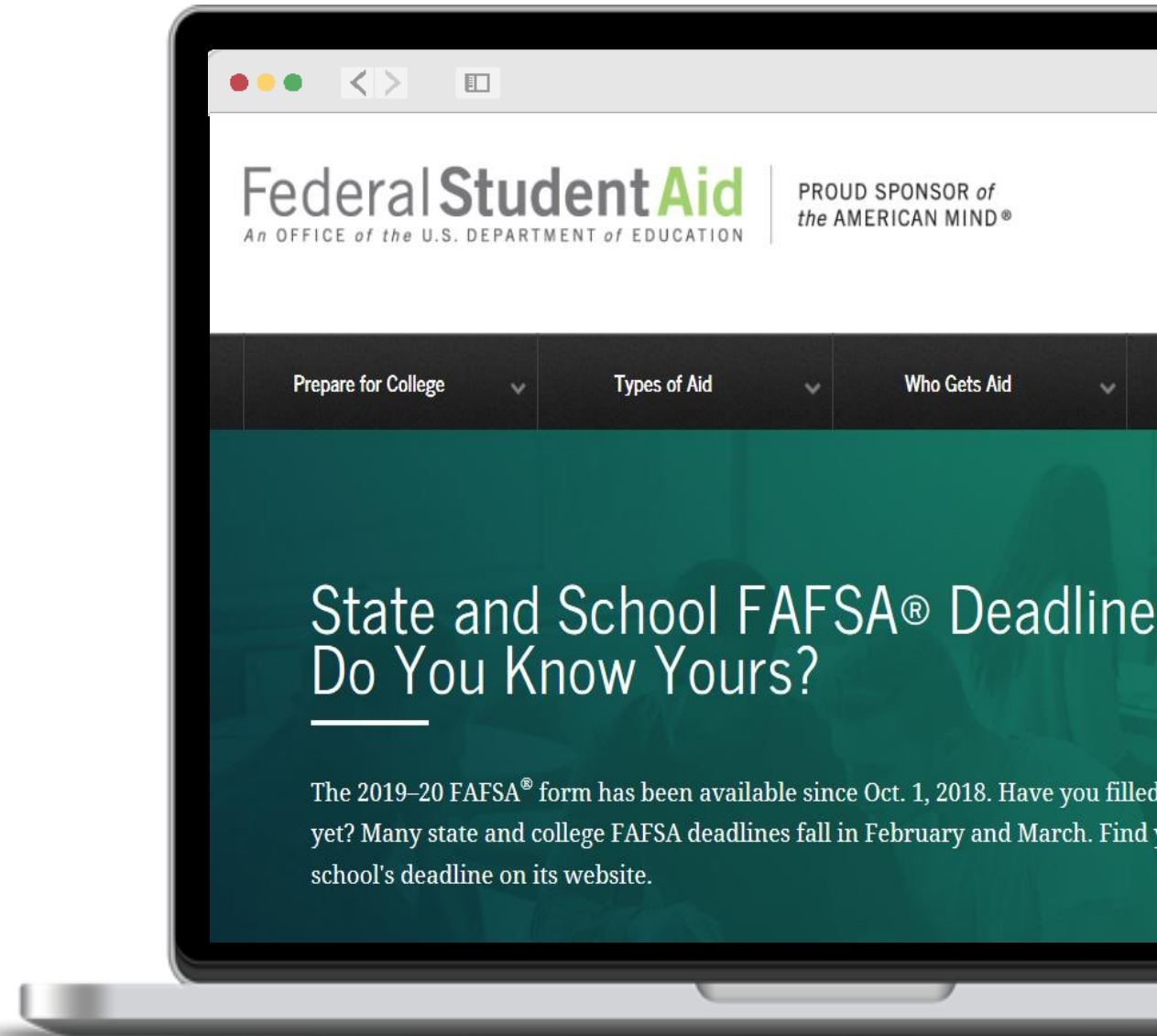
	PLUS	GRADUATE PLUS
<b>BORROWER</b>	Parent (student must complete FAFSA)	Student
<b>GRACE PERIOD</b>	None, but can request deferment	6 months
<b>INTEREST RATE</b>	5.30% (7/1/20 before 7/1/21)	
<b>LOAN FEE</b>	4.228% (10/1/20 before 10/1/21)	
<b>CREDIT CHECK</b>	Required	



# Know FAFSA Deadlines

And remember to complete each year.

## STUDENTAID.GOV

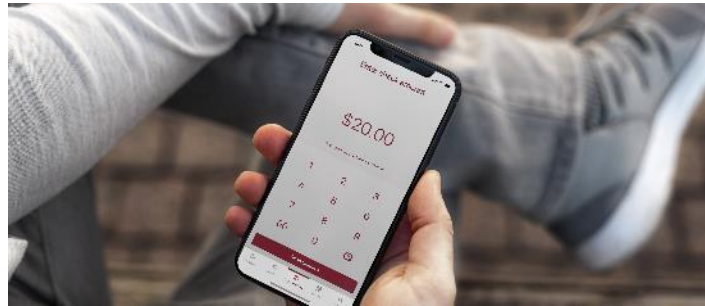


# Private Student Loans



## Lender Options

Borrowed through bank, credit union, private company.



## Terms Vary Based On Lender

You can shop around for interest rates. Grace periods may differ from lender to lender as well as repayment terms.



## Potential Benefits

Co-signer release options. Interest Rate reduction with auto-pay.

# Other Award Letter Information

- ✓ Academic year
- ✓ Enrollment status
- ✓ Housing status
- ✓ Links/publications with detailed information
- ✓ Contact information for financial aid office/counselor







# COMPARING AWARDS

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# Cost of Attendance (COA)

## Direct (Billed) Costs

Tuition

Room and Board

Fees



## Indirect Costs

Transportation

Personal Expenses

Books



**VARIES WIDELY FROM COLLEGE TO COLLEGE**



# Compare Awards

**COA: \$50,000**

**-**

**EFC: \$10,000**

**=**

**NEED: \$40,000**

	<b>College A</b>	<b>College B</b>	<b>College C</b>
<b>Grants/Scholarships</b>	<b>\$18,000</b>	<b>\$15,000</b>	<b>\$10,000</b>
<b>Student Loans</b>	<b>\$5,500</b>	<b>\$5,500</b>	<b>\$5,500</b>
<b>Work-Study</b>	<b>\$1,500</b>	<b>\$2,000</b>	<b>\$1,000</b>
<b>TOTAL AID AWARDED</b>	<b>\$25,000</b>	<b>\$22,500</b>	<b>\$16,500</b>



# What is the True Cost?

	College A	College B	College C
<b>Billed Costs</b>	<b>\$50,000</b>	<b>\$35,000</b>	<b>\$20,000</b>
Grants/Scholarships	\$18,000	\$15,000	\$10,000
Student Loans	\$5,500	\$5,500	\$5,500
Work-Study	\$1,500	\$2,000	\$1,000
<b>Total Aid</b> (from award letter)	<b>-\$25,000</b>	<b>-\$22,000</b>	<b>-\$17,000</b>
<b>Tuition Bill</b>	<b>\$26,500</b>	<b>\$14,500</b>	<b>\$4,500</b>
<b>True Cost</b> (add loans)	<b>\$32,000</b>	<b>\$20,000</b>	<b>\$10,000</b>
<b>Estimated Cost</b> (for 4 years)	<b>\$128,000</b>	<b>\$80,000</b>	<b>\$40,000</b>

# GreenPath

## HUECU.ORG/GREENPATH

- ✓ Budget counseling
- ✓ Immediate counseling
- ✓ Credit report review
- ✓ Confidential

### FLEXIBLE PHONE HOURS 877-337-3399

MON – THUR. 8:00 AM - 10:00 PM  
FRIDAY 8:00 AM - 7:00 PM  
SATURDAY 9:00 AM - 6:00 PM





# REDUCING COSTS

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# Ask College About Options

✓ **Room & Board Options**

✓ **Health Insurance**

✓ **Sibling Discounts**

✓ **Academic Planning**

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Summer term

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Graduating early

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Transfer credits

✓ **Student Scholarships**

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Resident Advisor Scholarships

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Scholarships for returning students





# Private Scholarships

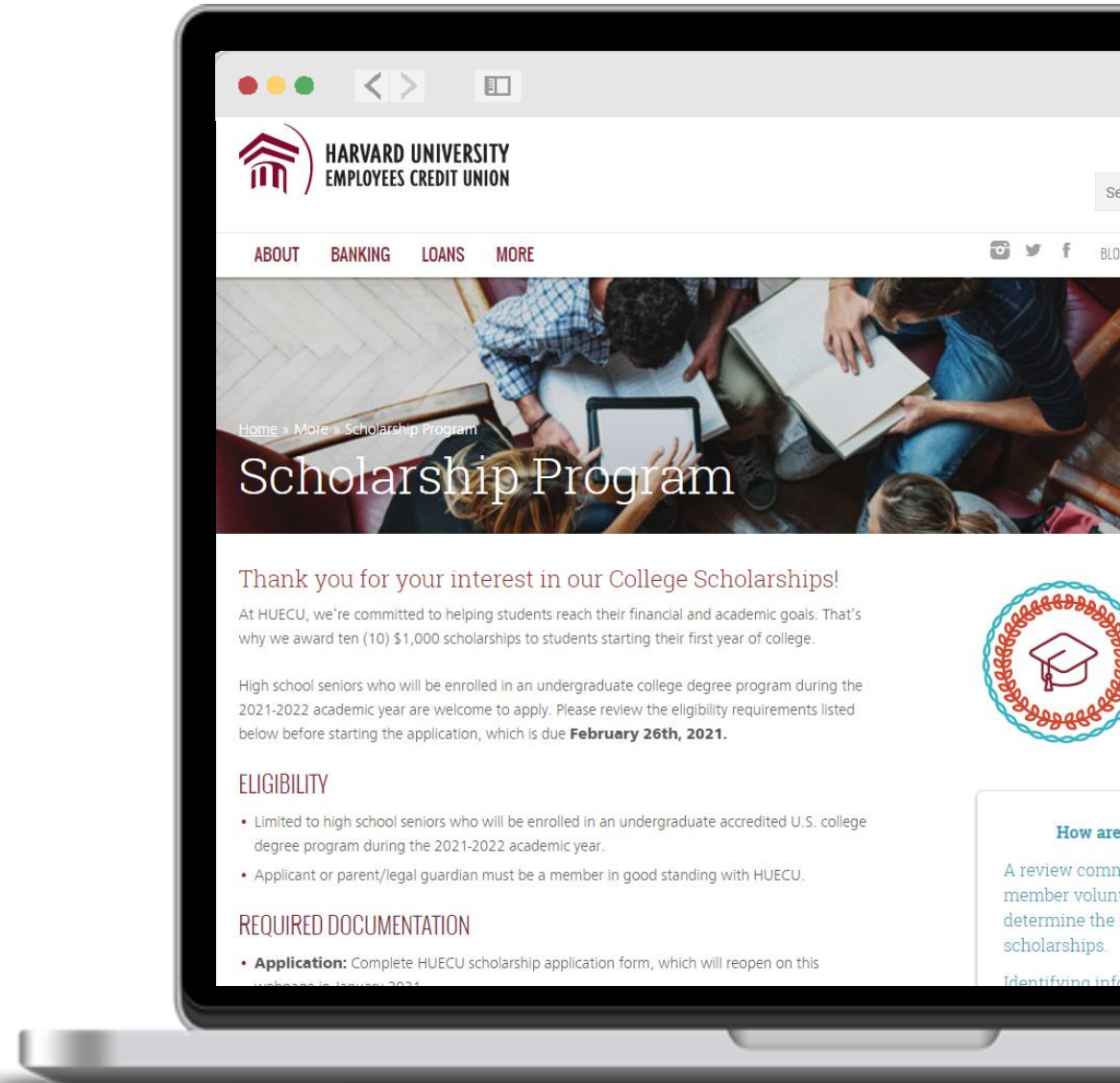
Applying for scholarships should be free. Check with school counselor if asked to pay for search engine.

- ✓ **School Counselors**
- ✓ **Online search engines**
- ✓ **Place of employment**
- ✓ **City/Town of residency**
- ✓ **Financial Institution**



# HUECU Scholarship

**HUECU.ORG/SCHOLARSHIP**







# COMPARE EXPERIENCES

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# Steps to **Success**

1

## **Be Organized**

Get things done and keep track!

2

## **Understand the Award**

Know what you are signing up for

3

## **Compare Total New Costs**

Use the handouts and slides from this presentation to compare total costs.

4

## **Remember the Experience**

College isn't just about the cost.

5

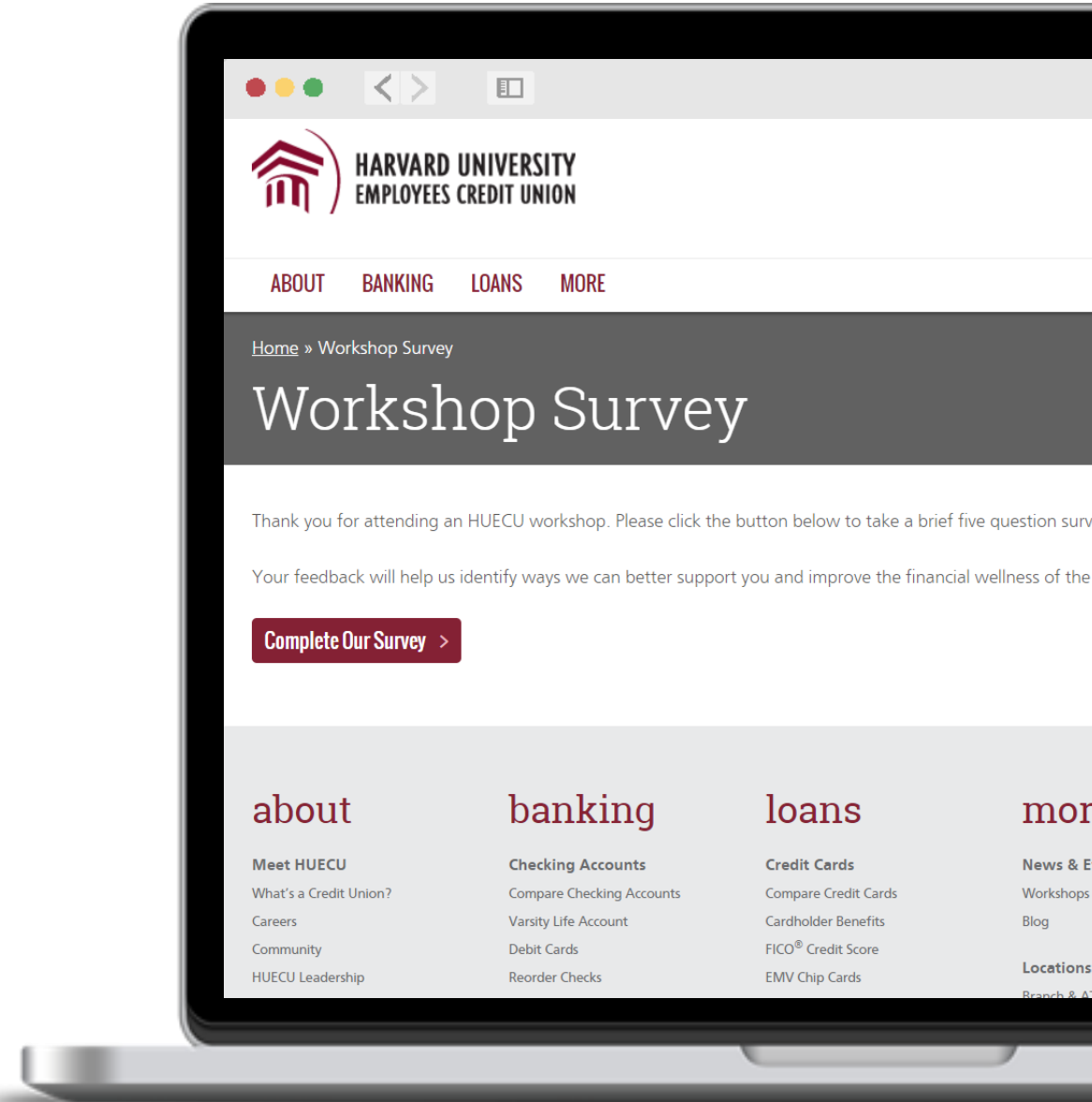
## **Research Ways to Reduce Cost**

Find ways to save today, so you don't have to repay more later.

# Survey Says

Be sure to let us know what you thought of this webinar in our online survey.

**HUECU.ORG/SURVEY**





# Disclaimer

This presentation is a general overview of principles you may want to consider. Only you can decide what is best for you. This presentation is educational in nature and is not intended to be, and should not be construed as tax, legal or investment advice. You should always consult a certified advisor for advice on your specific situation. The examples used in this presentation are for illustrative purposes only.

# Keep in Touch



huecu@harvard.edu



huecu.org



@myHUECU

Find us on all social channels



104 Mount Auburn Street  
Cambridge, MA 02138



**HARVARD UNIVERSITY**  
**EMPLOYEES CREDIT UNION**

