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## What's a financial aid offer?

It's the official notification from a school where you have been accepted of the financial aid you are eligible to receive that that specific school. While there is no standard format, they will contain the same overall information:

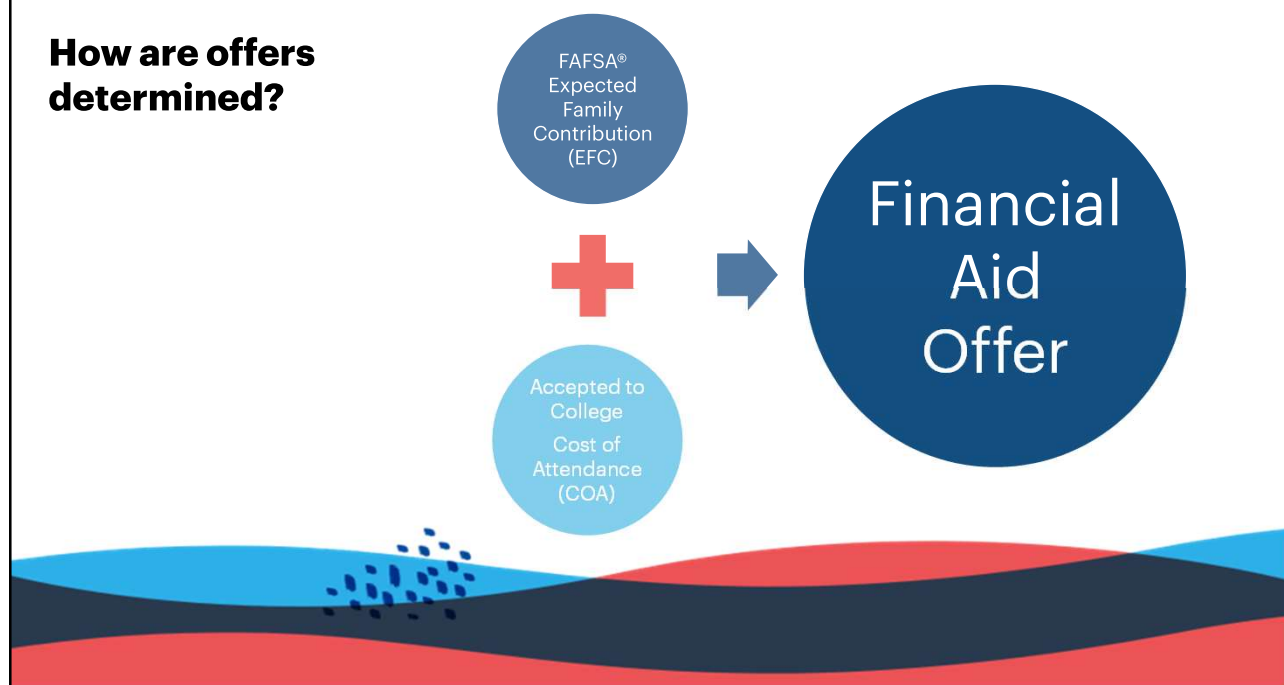
- Federal aid available, with FAFSA® completion
- State aid available (if applicable)
- Institutional aid, if offered
- Cost of attendance

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## How are offers determined?



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## Key financial aid terms

**Cost of attendance (COA)** – if you're attending school at least half-time, the COA is the estimate of tuition and fees, cost of room and board, cost of books, supplies, transportation, loan fees, and miscellaneous expenses

**Expected family contribution (EFC)** – An index number that college financial aid staff use to determine how much financial aid you would receive if you were to attend their school. The information you report on your FAFSA form is used to calculate your EFC

*Note: The EFC is not the amount that the student/family pays*

**Special conditions** – Special circumstances that potentially impact the family's ability to pay and can be taken into consideration by the college

**Verification** – At least 1/3 of all FAFSAs will be selected by the Department of Education for verification. Financial Aid Office will notify applicants of documents needed to complete the process

Source: <https://studentaid.gov/apply-for-aid/fafsa/review-and-correct> and <https://studentaid.gov/help/special-circumstance>

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## Key FAFSA® tips

Submit the FAFSA at [salliemae.com/gofafsa](https://salliemae.com/gofafsa)

- Submit your FAFSA® as soon as possible!
  - Applications can be filed starting October 1 each year.

- Almost every student is eligible for some form of financial aid.

*Don't assume you aren't eligible for aid because your family's income is too high or you have too much in savings.*

- The FAFSA® must be filed every year a student is in college.
- Remember: Financial Aid deadlines aren't the same as college admission deadlines.

College academic year  
**Fall 2022 – Spring 2023**

Submit your FAFSA beginning  
**October 1, 2021 through June 30, 2023**  
You can use your tax info from **2020**

College academic year  
**Fall 2023 – Spring 2024**

Submit your FAFSA beginning  
**October 1, 2022 through June 30, 2024**  
Use your tax info from **2021**

FAFSA® application submission time frames and required tax information are projected based on information provided in 9/14/15 IFAP FAFSA filing date change announcement. Please check [studentaid.gov/FAFSA](https://studentaid.gov/FAFSA) prior to each academic year for the most up-to-date FAFSA information.

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## Applying for institutional aid

Depending on your school, you may need to complete additional steps

- Institutional forms or the CSS Profile®
- May be required for both citizen and non-citizen applicants

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## Determining financial need



Cost of  
Attendance

—



Expected  
Family  
Contribution

=



Financial  
Need

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## Sample financial aid offer

Dependent Student Living On-Campus				
		Fall	Spring	Full Year
<b>Cost of Attendance</b>	• Tuition & Fees	\$15,000	\$15,000	\$30,000
	• Food and Housing	\$4,750	\$4,750	\$9,500
	• Books/Supplies	\$1,000	\$1,000	\$2,000
	• Transportation/Misc. Expenses	\$2,000	\$2,000	\$4,000
	• <b>Total Estimated Cost of Attendance</b>	<b>\$22,750</b>	<b>\$22,750</b>	<b>\$45,500</b>
<b>Grants &amp; Scholarships</b>	• Academic Scholarship	\$2,500	\$2,500	\$5,000
	• State Grant	\$1,000	\$1,000	\$2,000
	• Federal Pell Grant	\$2,000	\$2,000	\$4,000
	• Federal SEOG	\$1,500	\$1,500	\$3,000
	• <b>Total Grants/Scholarships</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$14,000</b>
<b>Net Cost</b>	• Cost of attendance minus gift aid	<b>\$15,750</b>	<b>\$15,750</b>	<b>\$31,500</b>
<b>Employment</b>	• Federal Work Study	<b>\$1,250</b>	<b>\$1,250</b>	<b>\$2,500</b>
<b>Federal Direct Student Loans*</b>	• Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
	• Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
	• <b>Total Federal Direct Loans</b>	<b>\$2,750</b>	<b>\$2,750</b>	<b>\$5,500</b>
<b>Estimated Remaining Balance</b>		<b>\$11,750</b>	<b>\$11,750</b>	<b>\$23,500</b>

To cover the remaining balance, you may use some of these sources to finance your education:

- Outside Scholarships
- College or Other Savings Plans
- Tuition Payment Plans
- Federal Parent PLUS Loan or Non-Federal Private Student/Parent Loan

\*You must repay loans, plus interest and fees. Note that the amounts listed above are the maximum available to you – you are allowed to borrow less than the maximum amount.

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## Steps to reviewing your offer

Know what you're looking at

- Gift aid vs aid which will need to be repaid

Find your out-of-pocket cost to attend

- Total college costs
- Subtract total grants and scholarships
- Calculate your remaining balance

Compare the aid offers you've received

Make your decision

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## Cost of attendance

<b>Cost of Attendance</b>	<ul style="list-style-type: none"> <li>• Tuition &amp; Fees</li> <li>• Housing/Meal Plan</li> <li>• Books/Supplies</li> <li>• Transportation/Misc. Expenses</li> <li>• <b>Total Estimated Cost of Attendance</b></li> </ul>	<p>\$15,000</p> <p>\$4,750</p> <p>\$1,000</p> <p><u>\$2,000</u></p> <p><b>\$22,750</b></p>	<p>\$15,000</p> <p>\$4,750</p> <p>\$1,000</p> <p><u>\$2,000</u></p> <p><b>\$22,750</b></p>	<p>\$30,000</p> <p>\$9,500</p> <p>\$2,000</p> <p><u>\$4,000</u></p> <p><b>\$45,500</b></p>
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The cost of attendance (COA) is an estimate of what the student can expect to pay for school



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## Grants and scholarships

Money that doesn't have to be paid back

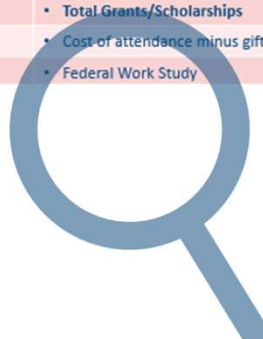
<b>Grants &amp; Scholarships</b>	<ul style="list-style-type: none"> <li>• Academic Scholarship</li> <li>• State Grant</li> <li>• Federal Pell Grant</li> <li>• Federal SEOG</li> <li>• <b>Total Grants/Scholarships</b></li> </ul>	<p>\$2,500</p> <p>\$1,000</p> <p>\$2,000</p> <p><u>\$1,500</u></p> <p><b>\$7,000</b></p>	<p>\$2,500</p> <p>\$1,000</p> <p>\$2,000</p> <p><u>\$1,500</u></p> <p><b>\$7,000</b></p>	<p>\$5,000</p> <p>\$2,000</p> <p>\$4,000</p> <p><u>\$3,000</u></p> <p><b>\$14,000</b></p>
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## Employment options

<b>Cost of Attendance</b>	<ul style="list-style-type: none"> <li>Tuition &amp; Fees</li> <li>Housing/Meal Plan</li> <li>Books/Supplies</li> <li>Transportation/Misc. Expenses</li> <li><b>Total Estimated Cost of Attendance</b></li> </ul>	<p>\$15,000</p> <p>\$4,750</p> <p>\$1,000</p> <p><u>\$2,000</u></p> <p><b>\$22,750</b></p>	<p>\$15,000</p> <p>\$4,750</p> <p>\$1,000</p> <p><u>\$2,000</u></p> <p><b>\$22,750</b></p>	<p>\$30,000</p> <p>\$9,500</p> <p>\$2,000</p> <p><u>\$4,000</u></p> <p><b>\$45,500</b></p>
<b>Grants &amp; Scholarships</b>	<ul style="list-style-type: none"> <li>Academic Scholarship</li> <li>State Grant</li> <li>Federal Pell Grant</li> <li>Federal SEOG</li> <li><b>Total Grants/Scholarships</b></li> </ul>	<p>\$2,500</p> <p>\$1,000</p> <p>\$2,000</p> <p><u>\$1,500</u></p> <p><b>\$7,000</b></p>	<p>\$2,500</p> <p>\$1,000</p> <p>\$2,000</p> <p><u>\$1,500</u></p> <p><b>\$7,000</b></p>	<p>\$5,000</p> <p>\$2,000</p> <p>\$4,000</p> <p><u>\$3,000</u></p> <p><b>\$14,000</b></p>
<b>Net Cost</b>	<ul style="list-style-type: none"> <li>Cost of attendance minus gift aid</li> </ul>	<b>\$15,750</b>	<b>\$15,750</b>	<b>\$31,500</b>
<b>Employment</b>	<ul style="list-style-type: none"> <li>Federal Work Study</li> </ul>	<b>\$1,250</b>	<b>\$1,250</b>	<b>\$2,500</b>



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## Employment options

### Federal Work Study

- Based on financial need – FAFSA required
- Funds are limited

### Institutional/Campus Employment

- FAFSA may or may not be required – varies by college
- Based on needs and funding at each college



- On or off campus positions
- Pays at least minimum wage
- Limited hours
- May be tied to academic interests or major
- Often there are a wide variety of jobs on each campus
- Students receive a paycheck for their work – No Work, No Pay!

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## Federal student loans

Federal Direct Student Loans*	• Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
	• Federal Direct Unsubsidized Loan	\$1,000	\$1,000	\$2,000
	• Total Federal Direct Loans	\$2,750	\$2,750	\$5,500

### Direct Subsidized Loans

- Available to eligible undergraduate students with demonstrated financial need
- Interest is paid by the federal government while the student is in school at least half-time and during their six-month grace period

Source: <https://studentaid.gov>

### Direct Unsubsidized Loans

- Available to undergraduate and graduate students
- Students are not required to show financial need
- Payments are not required while the student is in school and during their six-month grace period, but interest does accrue

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## Federal direct subsidized and unsubsidized loans

- Undergraduate borrowing limits:
  - \$5,500 first year
  - \$6,500 second year
  - \$7,500 third and final years
  - \$31,000 aggregate maximum
- FAFSA is required
- Six-month grace period after leaving school, graduating, or dropping to less than half-time enrollment
- Flexible repayment options with terms of up to 10-25 years
- Various deferment options are available
- Loan forgiveness options and income based repayment
- Military members may be eligible for special interest benefits regarding their federal loans

Loan type	Interest Rate (7/1/2022-6/30/2023)	Fees (10/1/2022-9/30/2023)
Subsidized	4.99% Fixed	1.057%
Unsubsidized	4.99% Fixed	1.057%

Source: <https://studentaid.gov>

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## Estimated remaining balance

Net Cost	• Cost of attendance minus gift aid	\$15,750	\$15,750	\$31,500
Employment	• Federal Work Study	\$1,250	\$1,250	\$2,500
Federal Direct Student Loans*	• Federal Direct Subsidized Loan	\$1,750	\$1,750	\$3,500
	• Federal Direct Unsubsidized Loan	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$2,000</u>
	• Total Federal Direct Loans	\$2,750	\$2,750	\$5,500
Estimated Remaining Balance		\$11,750	\$11,750	\$23,500



There are a variety of sources to help families fill the gap between the estimated cost of attendance and other aid received

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## Covering any remaining balance

- Outside scholarships
- College or other savings plans
  - 529 plans
  - Coverdell Savings accounts
  - Other savings
- Tuition payment plans
  - Offered by the school
- Private loans and Federal PLUS Loans



*According to our "How America Pays for College 2022" survey, 26% of college costs were covered by scholarships and grants in 2021/22*

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## Scholarship search engine

**Free Money Pro by Sallie Mae®** provides free access to our scholarship search tool for both undergraduate and graduate students



salliemae.com/scholarshipsearch

Registrants are automatically entered to win \$1000 in a monthly sweepstakes\*

\*No purchase necessary. Void where prohibited. Odds of winning depend on the number of entries received. See official rules at [salliemae.com/sweepstakesrules](http://salliemae.com/sweepstakesrules)

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## Tuition payment plans



- Pay tuition in manageable monthly payments using household income
- Can provide an interest free funding option
- Helps reduce the need to borrow money to pay the bill
- Some plans have fees or other charges
- May incur penalties for late payments

Source: <http://www.finaid.org/otheraid/tuition.phtml>

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## Borrowing to cover the remaining balance

Remember, when evaluating how to fill the “gap”, you may want to consider a combination of options

### Private student loans

- Student is the borrower
- Family can share the responsibility when a creditworthy individual cosigns the loan
- Repayment options vary by lender

### Private parent loan

- Parent or another creditworthy individual is the borrower
- Repayment typically begins immediately but options vary by lender

### Federal Direct Parent PLUS Loan

- Parent is the borrower
- Repayment typically begins immediately but parents can elect to defer payments while the student is in school

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## Side-by-side comparison

	Federal Direct PLUS Loan for Parents	Private student Loan	Private parent loan
Issuer	Federal government	Financial institutions, such as banks	Financial institutions, such as banks
Who is the borrower?	Parent	Student	Parent or other eligible non-student individual
What is the interest rate?	7.54% (7/1/2022-6/30/2023)	Variable & Fixed Varies by lender	Variable & Fixed Varies by lender
When do you need to start to repay the loan?	60 days after disbursement Options may be available to defer payments	Typically, 6 months after graduation or enrolled less-than-half-time Varies by lender	Typically, principal and interest payments begin when the loan is disbursed but may be able to defer. Varies by lender
Origination/disbursement fees?	4.228% For loans first disbursed 10/1/2021 – 9/30/2023	Varies by lender; most offer 0%	Varies by lender; most offer 0%
Free Application for Federal Student Aid (FAFSA) required?	Yes	No. Families are not required to complete the FAFSA unless it is the policy of the school.	No. Families are not required to complete the FAFSA unless it is the policy of the school.
Minimum enrollment status	At least half-time	Varies by lender; some offer loans to students attending school less than half-time.	Varies by lender; some offer loans to students attending school less than half-time.
Payment flexibility	Eligible for multiple repayment plans, federal consolidation, and some public service loan forgiveness options. See studentaid.gov for more information.	Varies by lender. Contact lender for their specific repayment options.	Varies by lender. Contact lender for their specific repayment options.

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## Federal Direct Parent PLUS Loan

Interest Rate	Fees
7/1/2022-6/30/2023	10/1/2022-9/30/2023
7.54% Fixed	4.228%

Loan that allows the parents of a dependent undergraduate student to borrow funds to cover the remainder of what a student owes after financial aid is applied.

- FAFSA required
- The parent is the borrower for the life of the loan
- Students must be enrolled at least half time
- Generally is paid back over a 10-year period
- Maximum loan amount is the cost of attendance (determined by the school) minus any other financial aid received
- If parent applies and is not eligible, a dependent undergraduate student may receive an additional \$4,000 Unsubsidized Loan.
- No aggregate maximum amount

Source: <https://studentaid.gov>

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## Private student loans

Loans funded by banks, credit unions, or other financial institutions based on credit of the applicant and/or cosigner

- FAFSA® not required
- Who is the borrower?
  - the student and if necessary, a cosigner
- Repayment period can range from 5 – 20 years
- Offer a variety of in-school repayment options that include:
  - Immediate repayment (pay now)
  - Deferred repayment (pay later)
  - Fixed repayment
  - Interest repayment
- Cosigners may help increase the chance of approval and may help get a better rate
- Terms and costs vary widely between lenders
- Student loans may help a student build credit – especially if scheduled to make payments while in school

Private Student Loan Rate Example*	
APR	Fees
Variable: 3.99% - 15.33%	0% typically
Fixed: 3.99% - 14.99%	

\* Based on a 12/30/2022 review of national private loan programs offered by Sallie Mae and its publicly-traded competitors.

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## Helpful tips

- ✓ Carefully review the information in your student aid report (SAR)
- ✓ Accept or decline your aid offer with your school, if needed
- ✓ You don't have to accept all types of aid offered
- ✓ Understand any renewal requirements for grants and scholarships
- ✓ Compare the terms, conditions, and details of each offer and aid type
  - Consider more than just the dollar amount
- ✓ Compare financial aid offers looking at both the total amount of aid and the types of aid offered
  - Use an online tool – [salliemae.com/finaidoffers](https://salliemae.com/finaidoffers)
  - Create your own spreadsheet



### Compare your financial aid offers

After you've filed the Free Application for Federal Student Aid (FAFSA), any colleges that you included on your information and have accepted you will use your FAFSA<sup>®</sup> to calculate your financial aid. They'll follow up with a financial aid offer that includes the financial aid that's being offered to you. This can help you get an idea of what each college may cost you—and start the discussion of how you'll pay any remaining costs.

Line up how much financial aid you're getting in grants, scholarships, work-study, and federal student loans from each school. Once you know the amount of financial aid you're eligible for from each school, you want to subtract that number from the cost of attendance. The remainder is sometimes called "the gap" or your out-of-pocket costs. It's the amount you may need to pay on your own—by using your income, savings, a 529 savings account, a tuition payment plan, finding more scholarships, or taking out private student loans.

Cost of attendance	School 1	School 2	School 3	School 4
Tuition and fees	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Room and board	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Books and supplies	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Personal expenses*	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Financial aid</b>				
Grants	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Scholarships	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other gift aid	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Federal Direct subsidized loans	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Federal Direct unsubsidized loans	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other student loans	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Federal work-study	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Summary</b> (cost of attendance minus the total financial aid to determine the remaining gap)				
<b>Total cost of attendance (COA)</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Total financial aid</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Remaining gap</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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## Conclusion

1. Start with money you won't have to pay back

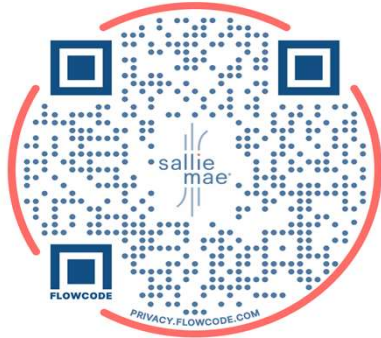
2. Explore federal student loan options

3. Consider responsible education loan options

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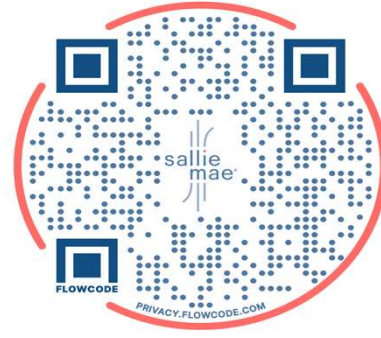
## To continue your college bound journey

### Scholarship Search



[salliemae.com/scholarshipsearch](https://salliemae.com/scholarshipsearch)

### Need more information on the FAFSA®?



[salliemae.com/fafsa](https://salliemae.com/fafsa)

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# Thank you!



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**Borrow responsibly**

We encourage students and families to start with savings, grants, scholarships, and federal student loans to pay for college. Students and families should evaluate all anticipated monthly loan payments, and how much the student expects to earn in the future, before considering a private student loan.

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Interest rates, fees, terms, and borrower benefits based on a December 31, 2022 review of national private loan programs offered by Sallie Mae and its publicly-traded competitors. Variable rates may increase over the life of the loan.

Federal student loan rate information is based on a May 24, 2022 Electronic Announcement from Federal Student Aid, an office of the U.S. Department of Education. Other federal student loan information was gathered on August 17, 2022 from [studentaid.ed.gov](https://studentaid.ed.gov). Check this website for the most up-to-date information about federal loan products. Rates, fees and availability of federal loan products are subject to change by the Federal Government.

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