



Harvard
FEDERAL CREDIT UNION

Comparing Award Letters

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.

Post-Workshop Survey

Take our post-workshop survey and let us know how we did.

Harvard FCU Thrive Team



Ty Koppelson, CCUFC
Community Engagement Specialist



Jen Fries, CCUFC
Community Engagement Manager



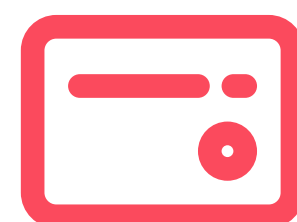
Terrence Bazile, CCUFC
Community Engagement Specialist

Not-For-Profit Banking at Harvard FCU



Community Focused

Harvard FCU exclusively serves the Harvard community and all Harvard affiliates. Once a member, always a member, even if you leave your job. When you join membership extends to all family members.



Products & Services

Free access to ATMs nationwide. Credit cards with cash back rewards. Home loans for purchases and refinancing, student loans and refinancing options, auto loans and more.



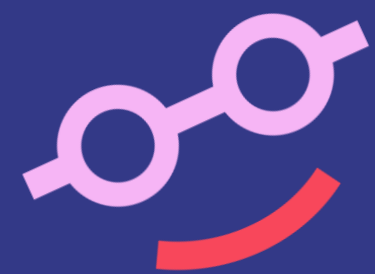
Access Anywhere

Convenient locations and Online Banking. Mobile Banking and Digital Wallet ready. Access to the nationwide CO-OP Shared Branching Network.



Congratulations!

**Who is
contributing?**



FAFSA

The Free Application for
Federal Student Aid

StudentAid.gov



Who Completes the FAFSA?

U.S. citizens and eligible non-citizens (permanent residents, refugees, and asylees) complete the FAFSA. You will also invite your parent to contribute to your FAFSA form by creating their own account and sharing their information.

When To Complete the FAFSA

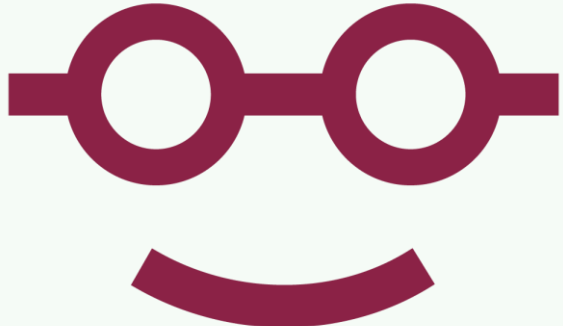
Apply early! The federal deadline is June 30, and Massachusetts is May, but state and college deadlines are much earlier. Colleges are sending their award letters *now*. If you haven't done your FAFSA yet, that should be your next step.

Stay Up to Date

Go to StudentAid.gov for all your FAFSA information and to learn about your award status.

Key terms

Cost of Attendance (COA)	\$34,000
Student Aid Index (SAI)	\$10,000
Financial Aid Eligibility	\$24,000



Cost of Attendance

<https://nces.ed.gov/collegenavigator>

The screenshot shows the College Navigator website interface. The search filters on the left include:

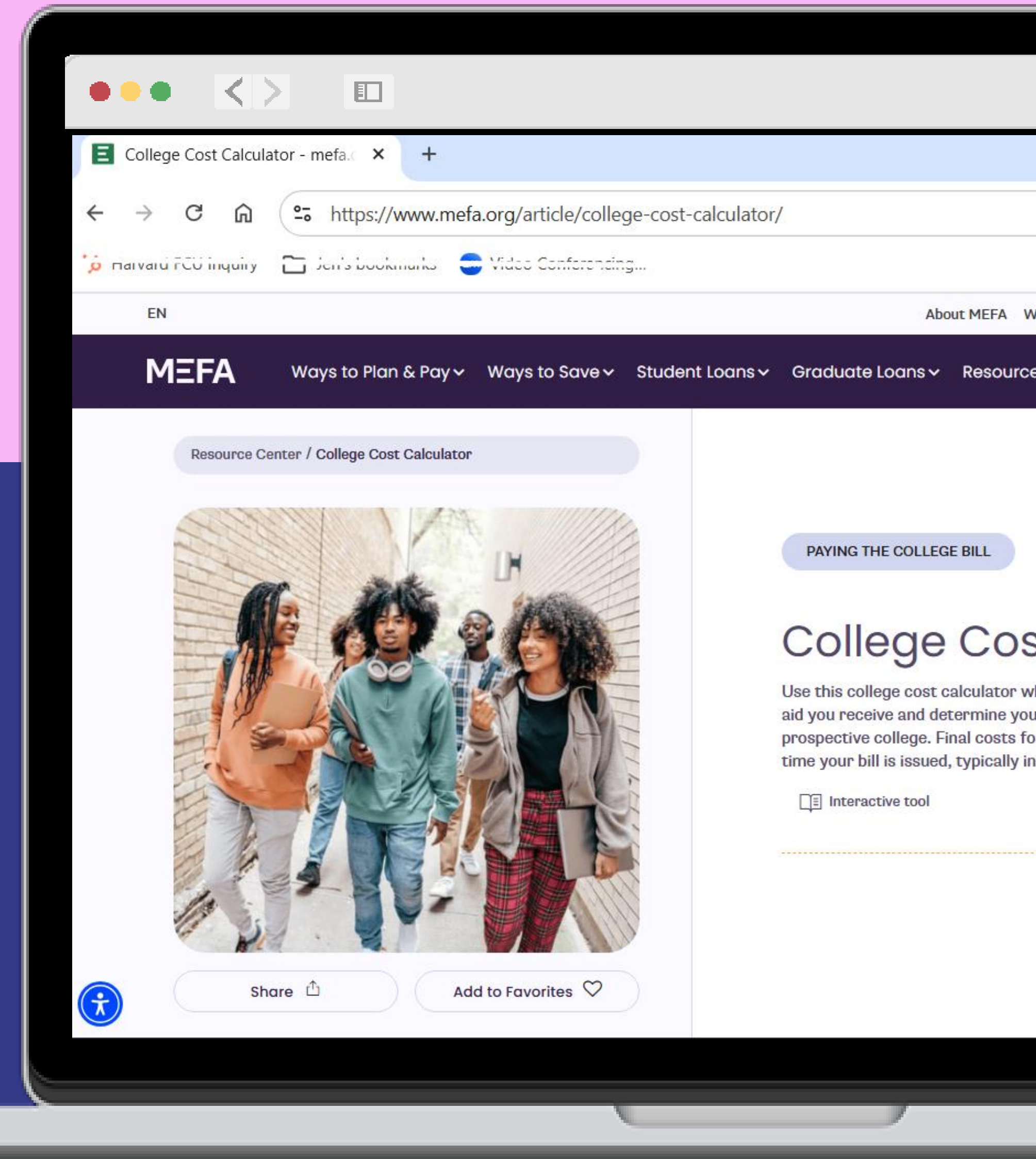
- Name of School: university of massachusetts
- States: No Preference (selected), Use Map
- ZIP Code: (empty), Miles from: (dropdown)
- Programs/Majors: 0 Items Selected, Browse for Programs
- Level of Award: Certificate, Bachelor's, Associate's, Advanced
- Institution Type: Public, Private non-profit, Private for-profit, 4-year, 2-year, < 2-year

The search results show the University of Massachusetts-Dartmouth profile. The estimated expenses for full-time beginning undergraduate students are as follows:

ESTIMATED EXPENSES FOR ACADEMIC YEAR	2021-2022	2022-2023	2023-2024	2024-2025
Tuition and fees				
In-state	\$14,408	\$14,854	\$15,208	\$15,612
Out-of-state	\$30,153	\$30,992	\$31,750	\$32,567
Books and supplies	\$1,200	\$1,400	\$1,400	\$1,400
Living arrangement				
On Campus				
Food and Housing	\$15,975	\$16,493	\$17,940	\$18,566
Other expenses	\$1,572	\$1,772	\$1,772	\$1,772
Off Campus				
Food and Housing	\$10,000	\$10,000	\$12,810	\$13,270
Other expenses	\$2,072	\$2,772	\$2,772	\$2,772
Off Campus with Family				
Food and Housing	-	-	-	\$1,670
Other expenses	\$3,572	\$4,272	\$4,389	\$2,772

MEFA College Cost Calculator

www.mefa.org/article/college-cost-calculator/



True Cost Exploration

	State U	Cloud 9 U Private in-state	Thundercloud U Private 2 OOS	OOS U
Billed Cost				
Tuition + Room & Board	\$34,000	\$90,000	\$89,000	\$57,000
Financial Aid				
Institutional Grant	\$5,000	\$73,000	30,000	\$18,000
Federal Pell Grant	\$1,000	\$1,000	\$1,000	\$1,000
FSEOG	\$4,000	\$4,000	\$4,000	\$4,000
MassGrant	\$5,000	\$5,000	\$0	\$0
Federal Work-Study*	\$1,500	\$1,500	\$1,500	\$1,500
Federal Direct subsidized loan	\$3,500	\$3,500	\$3,500	\$3,500
Federal Direct Unsubsidized	\$2,000	\$2,000	\$2,000	\$2,000
Total Student loans	\$5,500	\$5,500	\$5,500	\$5,500
Total Financial Aid (loans + grants)	\$22,000	\$90,000	\$47,000	\$30,000
Family Responsibility	\$12,000	\$0	\$42,000	\$27,000
4-yr Family Resp	\$48,000	\$0	\$168,000	\$108,000

Billed Costs Vary

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Institutional Grants = free \$

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Student Loans

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Loans + Grants = Total Fin Aid

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Billed Cost - Fin Aid = Family Responsibility

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4-year Family Responsibility

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Big picture

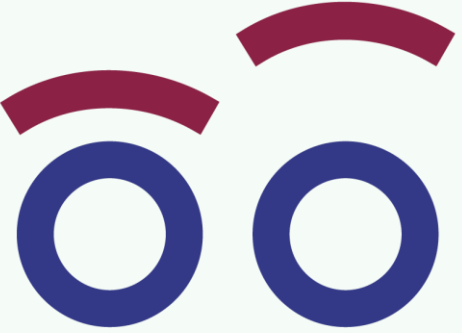
Billed costs

– minus

Financial Aid

=equals

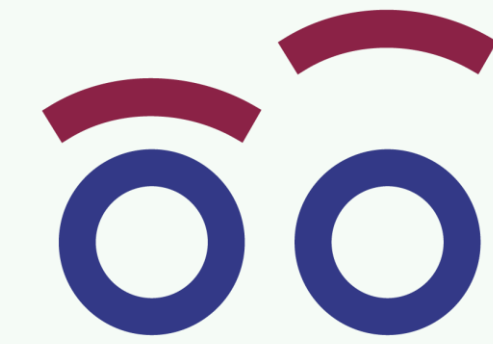
Balance Owed



Big picture

Limit loan debt to a minimum.

There is nothing wrong with choosing a school partly for affordability.



Beware!

Parent Plus loans are sometimes included in the financial aid package. These are **loans** your parents would have to apply for and pay back. They are not guaranteed.



Merit-Based vs. Need Based

Merit-Based Aid

Recognizes student achievement (academic, artistic, athletic)

Criteria differs school to school

Often has requirements to renew (e.g., GPA)

Need-Based Aid

Based on family eligibility

Standardized formula

Often not the full amount of need

Includes federal and state grants

Accept or decline

- May 1 deadline
- Accept or decline financial aid offer
- You can decline some of the offer and take other parts
- Only the school you will be attending
- Enrollment deposit

Parent Plus loans only a suggestion



Reducing Costs

✓ Room & Board Options

✓ Health Insurance

✓ Sibling Discounts

✓ Academic Planning

Summer term

Graduating early

Transfer credits

✓ Student Scholarships

Resident Advisor Scholarships

Scholarships for returning students



Federal Direct Subsidized and Unsubsidized Loans

Key Facts

The student is the borrower, no credit check required

Deferred while enrolled at least half-time

Promissory Note and Entrance Counseling on StudentAid.gov

Repayment

6.39% fixed interest rate currently

At this rate, every \$10,000 borrowed = \$113/month repayment plan on a 10-yr plan

6 Month grace period

1.057% Loan fee > \$5,500 loan = \$5,442 after fees

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



Student Loans

✓ Federal Student Loans

Direct Subsidized & Unsubsidized

Parent PLUS

Tend to offer more repayment, forgiveness, and deferment option

✓ Private Loans

Student Loans

Parent/Family Loans

Tend to offer lower rates and more loan programs

Know The Details



AMOUNTS



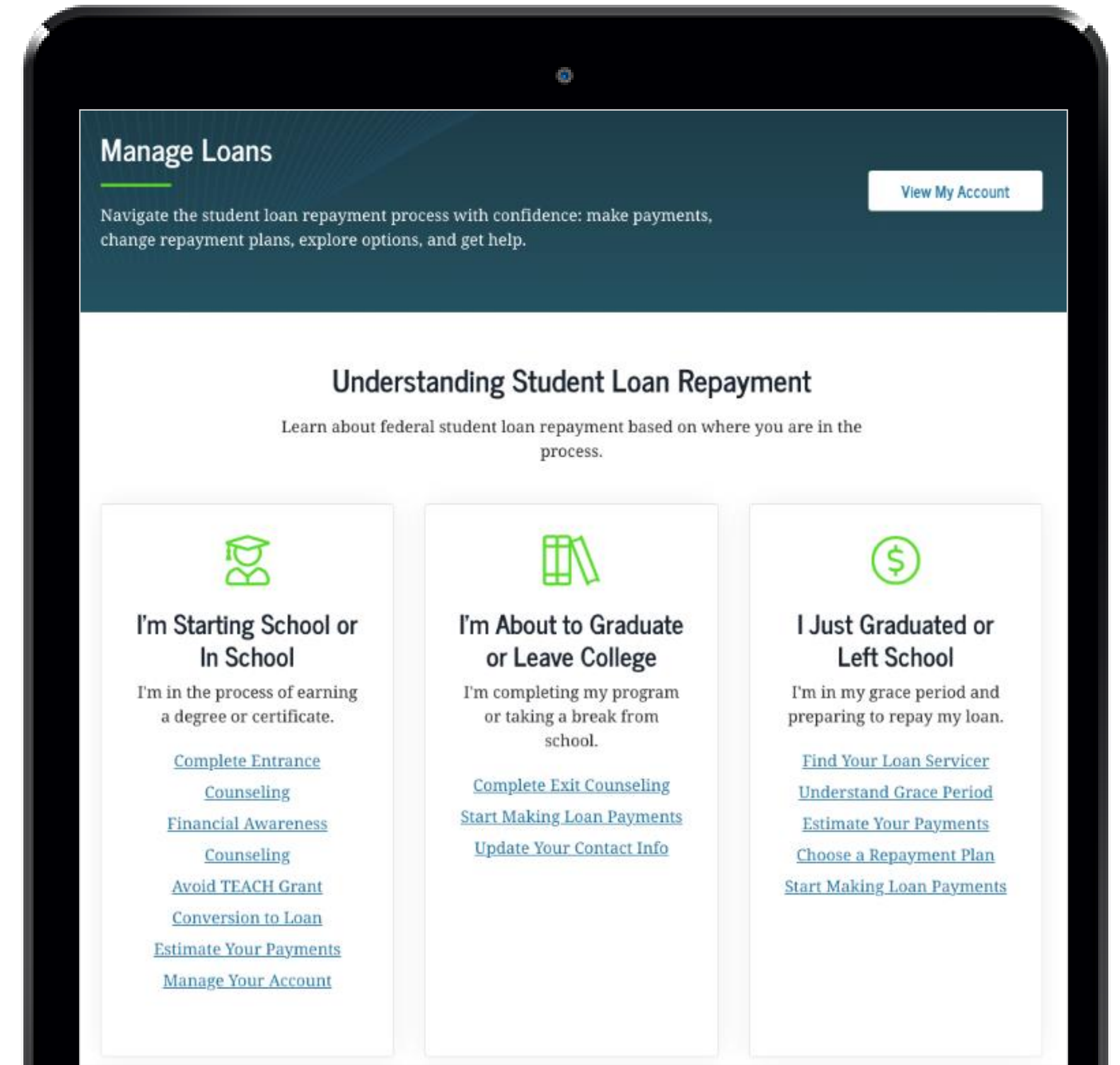
RATES



TERMS

More information on Federal Loans:

STUDENTAID.GOV



Most Colleges Bill Per Semester

FALL SEMESTER

Due in the summer
(July/August)

SPRING SEMESTER

Due in winter
(November/December)



Payment Plans

NEXT STEP

- Review college website to see if payment plans are offered.
- Interest or fees?
- Schedule of payments



College Savings

You or your family may have college savings plans, summer earnings, or personal savings accounts. Summer earnings can go toward books, supplies, or expenses like laundry or travel.

CONVERSATIONS TO HAVE

Use all funds for first year OR all years?

How/when do you need to withdraw funds?



Private Student Loans



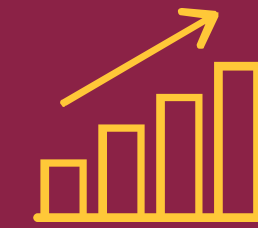
Lender Options

Borrowed through bank, credit union, private company, MEFA.



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.

Non-Educational Loan Options

ITEMS TO CONSIDER

What would be tax implications?

What are the fees?

What if you need funds for an emergency?

What is impact on your retirement age?

Loan Timeline

Educational Loans

Student/family applies for loan (annual or semester loan).

Once approved, student completes additional documents.

Institution is notified of approval and amount.

Funds are disbursed at a later date (set by school or lender).

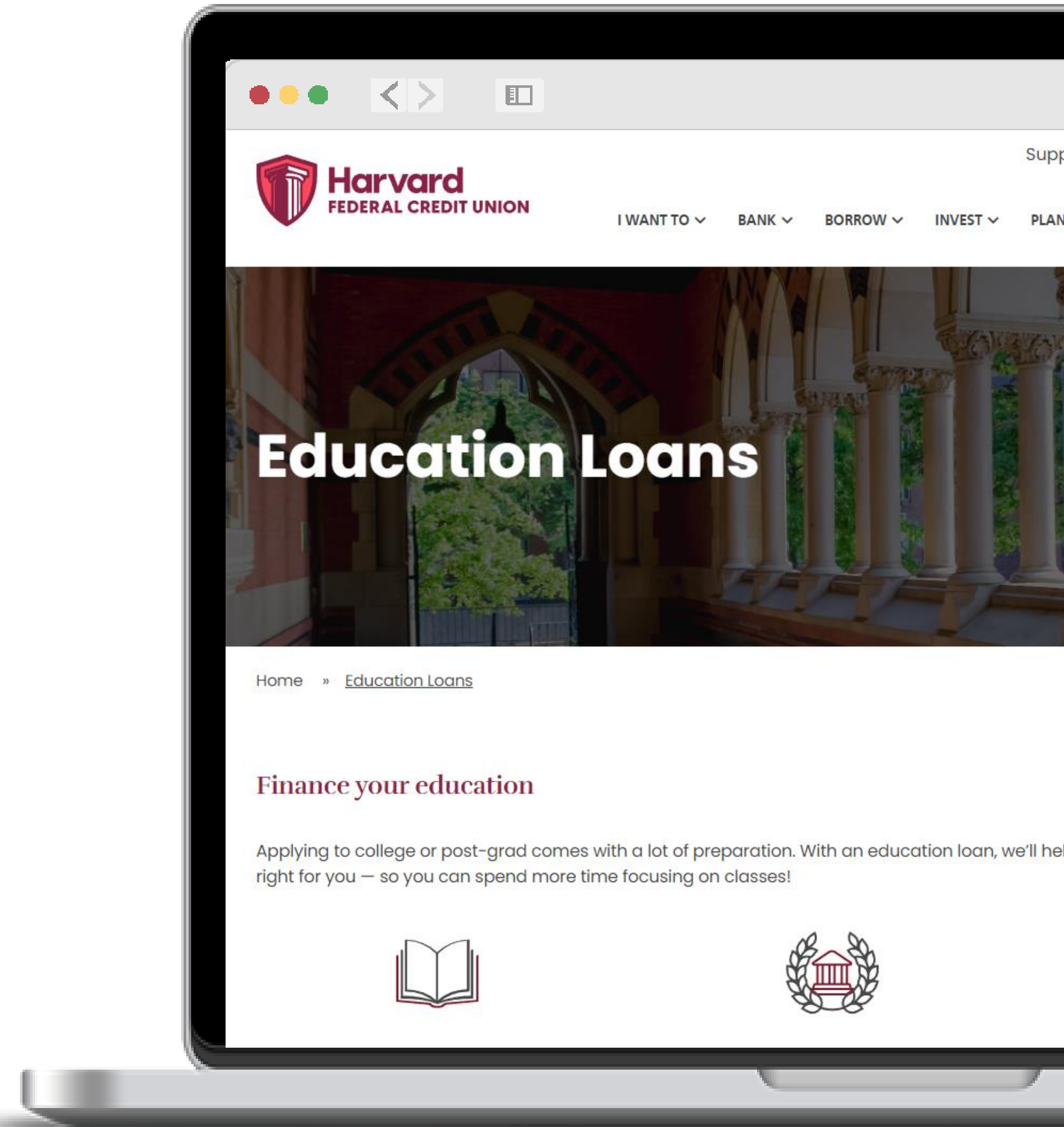
Non-educational Loans

Typically, funds are, sent to borrower *not* the school.



Harvard FCU Education Loans

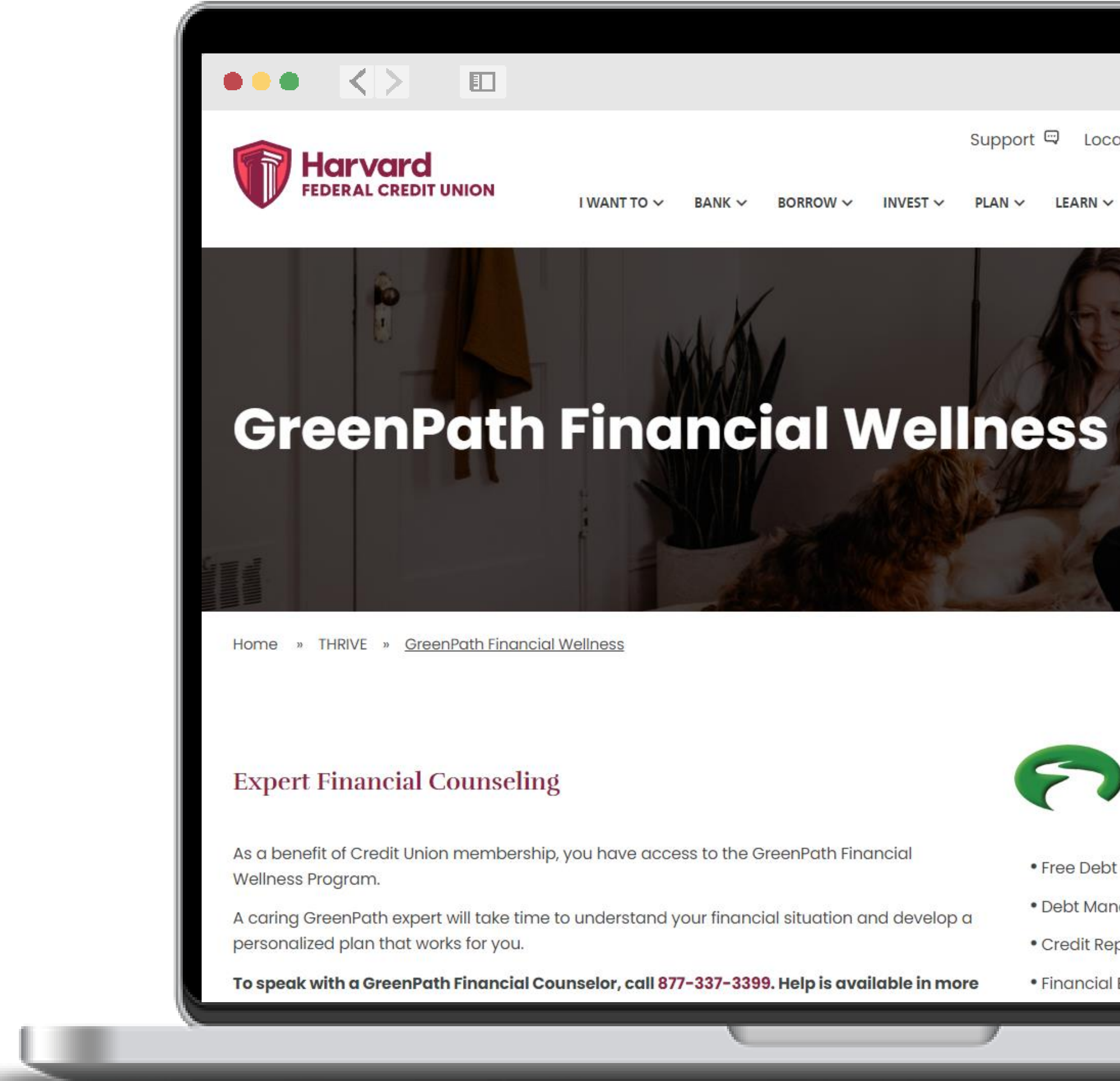
HarvardFCU.ORG/EDUCATION-LOANS



GreenPath

GreenPath Financial Wellness offers free credit, debt, budget, housing, and federal student loan counseling.

HarvardFCU.ORG/GREENPATH



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.

Let's keep in touch!

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