

College Financial Aid News

The economic downturn is affecting everyone, including financial aid. Don't let the bad economy get you down. The outlook is still good for you if you plan to apply for and attend college. Federal grants and private loans are available to you. Read on...

A SUPPLEMENT TO DECEMBER 2008 "PATHWAYS TO SUCCESS"

JANUARY 2009

FAFSA

January is the start of financial aid season. You should be filling out your financial aid applications and looking for scholarships.
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Federal PELL Grant may increase

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Average cost of tuition and fees

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Rise in financial aid applications by as much as 10 per cent

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Exhaust your federal student loan options before turning to private student loans.
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FAFSA

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Use the Web. Fill out the FAFSA on the Web. Go to www.fafsa.ed.gov.

Federal Student Aid Programs. You must have completed a FAFSA to apply for these opportunities:

- ★ Federal Pell Grant
- ★ Academic Competitiveness Grant
- ★ National Science and Mathematics Access to Retain Talent Grant
- ★ Teacher Education Assistance for College and Higher Education Grant
- ★ Federal Stafford Loan
- ★ Federal PLUS Loan
- ★ Campus-Based Programs, such as: Federal Supplemental Educational

Opportunity Grants, Federal Work-Study, and the Federal Perkins Loan.

The Federal Pell Grant may increase

The economic downturn has caused more students to apply and qualify for financial aid. The Federal Pell Grant Program has seen an increase in demand this year compared to the same time last year. This resulted in a \$6 billion shortfall in the program. Congress provided \$2.5 billion to cover this shortfall in the continuing resolution (CR) to extend the federal budget. The CR forbids the U.S. Department of Education from reducing any Pell Grant recipient's award until March 6, the date the CR expires. Higher education officials are urging Congress to eliminate the remaining \$3.5 billion shortfall and increase the maximum Pell Grant by \$500 as part of its economic stimulus legislation.

This means the maximum would be \$5,321, but this amount is still up for debate.

How to Apply for a Federal Pell Grant.

The Federal Pell Grant is a need-based financial aid. It is not a loan; the money does not have to be repaid. You must be an undergraduate student who has not earned a bachelor's degree, a U.S. citizen, or an eligible non-citizen, and has a high school diploma or a GED. Apply for the Pell Grant (and all federal, state, and institutional financial aid programs, except scholarships) by completing the FAFSA. Go online at www.fafsa.ed.gov.

Average cost of tuition and fees

The average list price of tuition and fees for the current academic year is \$6,585 for in-state students at four-year public universities, and \$25,143 at private colleges, with some costing more than that.



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Janet is an attorney in private practice. Born and raised on Tinian, she currently resides on the island. She is a former assistant public defender. Janet graduated with a B.A. from Wellesley College and a J.D. from the University of Nebraska College of Law. She also graduated with a M.A. in political science from the University of Nebraska Graduate School. She is licensed to practice law in the courts of the State of Hawaii, Guam, and the Northern Mariana Islands (CNMI). She enjoys swimming, biking, and running.

Some options include lower-cost public schools or community colleges. You can even wait a year and save money.

A Useful Website: www.FinAid.org

Rise in financial aid applications by as much as 10 per cent

The U.S. Department of Education recently reported that there was a 10.4 per cent increase in the number of students who filled out the FAFSA in calendar year 2008 than in 2007.

But no matter how many people apply, the biggest federal aid programs guarantee Pell grants and Stafford student loans to all qualifying students.

The recently enacted Higher Education Opportunity Act (HEOA) and the College Access Challenge Grant funding (CACG)

As the economy worsens, legislators look to make cuts in the budget. Unfortunately, higher education appropriations are always targets for legislators as they scramble to cut spending and try to pass a balanced budget. The National Governors Association (NGA) recently urged the U.S. Department of Education to waive a provision in the recently enacted HEOA that penalizes states (including Guam and the CNMI) unable to maintain spending levels for higher education. This provision prohibits states (including Guam and the CNMI) that don't maintain higher education spending levels from accessing all federal CACG funding. This funding is used to provide low-income students with need-based aid, financial counseling, debt management, interest-rate reductions, assistance in completing the FAFSA, and a number of other services.

Why You Should Care. In FY 2008, Northern Marianas College received \$330,000 under the CACG, and expects another \$330,000 in FY 2009. Eliminating this funding would place an additional

burden on an already strained budget and force the CNMI to make tough decisions about spending cuts to offset this loss of federal revenue.

Urge your legislators to support spending levels for higher education in the CNMI!

Don't fall victim to private student loans; consult your NMC financial aid counselor

Private student loans can provide additional funds to help students pay for college. However, there are predatory lenders out there who pressure students and parents, who don't often realize that they are getting themselves into high-interest loans that can make them ineligible for other, less expensive, financial aid.

According to the American Council on Education (ACE) analysis of the U.S. Department of Education's National Postsecondary Student Aid Study (NPSAS) data, *undergraduate private loan borrowers did not take advantage of federal student loans before borrowing private loans:*

Talk to the NMC financial aid counselors about available federal financial aid options.

If you receive direct mailings or see web or TV ads from private loan providers, don't be misled by some of these deceptive practices:

- ➔ Logos that appear to be from the federal government.
- ➔ "Checks" and "rebates" to entice students to borrow loans.

The best thing to do? Exhaust your federal student loan options before turning to private student loans.

To contact the NMC financial aid office, call Daisy Manglona-Propst at 234-5498 ext. 1527 or send e-mail to: daisym@nmcnet.edu. For more information about scholarship scams from the Federal Trade Commission, visit www.ftc.gov.

RESOURCES *on the Web*

Funding Education Beyond High School (U.S. Department of Education www.studentaid.ed.gov). The official gateway to federal financial aid, including eligibility, application, repayment, and more--plus self-service tools to help you prepare, choose, and apply for college. From the U.S. Department of Education.

Financial Aid Resources - Department of Defense Education Activity www.dodea.edu/instruction/curriculum/Financial%20Aid/FinancialAid.htm. The Financial Aid Resources page from the Department of Defense Education Activity (DODEA) provides information and links to help you find scholarships, grants, and other resources available to military dependents.