



THE PIGGY BANK

How to Pay for School

Here at the Personal Money Management Center, we often get the questions “how can I pay for school?” and “in what order should I take out financial aid?” Here is a quick guide to financing your education in the order that we recommend:

1. Grants & Scholarships

Grants (including need-based grants like Pell Grants) and scholarships do not have to be repaid and are tax-free when used to pay for tuition, fees books and supplies. Always accept grants and scholarships first. Many scholarships are awarded at entrance to the University but additional scholarships may be found at www.financialaid.utah.edu/scholarships or by talking to your college or department.

2. Work Study

Work study is awarded based on financial need and would be awarded to you when you fill out FAFSA. If you qualify for work study, the money is tax-free and you can begin working for the 2016/2017 school year starting (today) July 1st.

3. Personal Savings & Working

If you do not qualify for work study, working on or off campus can be a good alternative to help you pay for school. Working and saving, sticking to a budget, and getting help from your parents are the next best options for financing school. Remember to make school your first job. You do not want to risk losing financial aid and scholarships by letting your grades slip or failing classes. If these options aren’t available and working is too much for you while a student, consider loans.



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Fall 2016



Workshops

Developing a Tech-Savvy Budget

August 31st, 12:00pm – 1:00pm

Union East Ballroom



Waffle Love - Entrepreneurship

September 21st, 12:00pm-1:00pm

Union Patio

Saving For Your First Home

October 19th, 12:00pm-1:00pm

Union East Ballroom

Investing For Smarties

November 15th, 12:00pm – 1:00pm

Union East Ballroom

Lunch Served at every workshop!

4. Subsidized Loans

Subsidized loans do have to be repaid after graduation (so borrow wisely), but the terms still make them a better option than other types of loans. Undergraduate subsidized loans borrowed in 2016/2017 have a set 3.76% interest rate, don't accumulate or compound interest while enrolled in school and payments don't begin until six months after you graduate, leave school or drop below half-time. Perkins loans are similar to subsidized loans except the interest rate is 5% and you have a nine month grace period before payments are due after graduating, leaving school or dropping below half time.

5. Unsubsidized Loans

Unsubsidized loans also have a set 3.76% interest rate when borrowed in the 2016/2017 school year. However, with unsubsidized loans the interest begins accruing immediately. It is not required you pay the interest while in school, but it is a good idea to do so. If you don't pay it then the interest will be added to your principal balance and begin compounding. If you choose to pay the interest that accumulates while in school, you may be able to take advantage of the student loan interest deduction which will save you money on your taxes. Unsubsidized loans are not need-based so they are easier to qualify for than subsidized loans but we recommend taking out subsidized loans first if you qualify.

6. Private loans and Parent Plus Loans

As a last resort, you may have to borrow private student loans from a bank, credit union or have your parent take out a Parent Plus loan if they are willing. All of these loans will be based on credit history and may need a cosigner if the student does not have an established credit report. Parent Plus loans have a fixed 6.31% interest rate and charge a 4.272% upfront fee for 2016/2017 and will hold your parents accountable for repaying the loan.

If you know you will need to take out student loans but would like to make a plan to figure out how much to borrow or for help setting a budget to get you through school, make an appointment with one of our counselors. Our center is paid for by your student fees so get your money's worth! We are happy to help you with your finances and help you get back to focusing on your school work. If you haven't yet filled out FAFSA, it's not too late! Even if you don't think you will qualify for anything, fill it out anyway! It's free and can be completed at www.fafsa.ed.gov

To schedule an appointment, email pmmc@sa.utah.edu or call us at 801-585-7379



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