



HARVARD UNIVERSITY EMPLOYEES 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.

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.

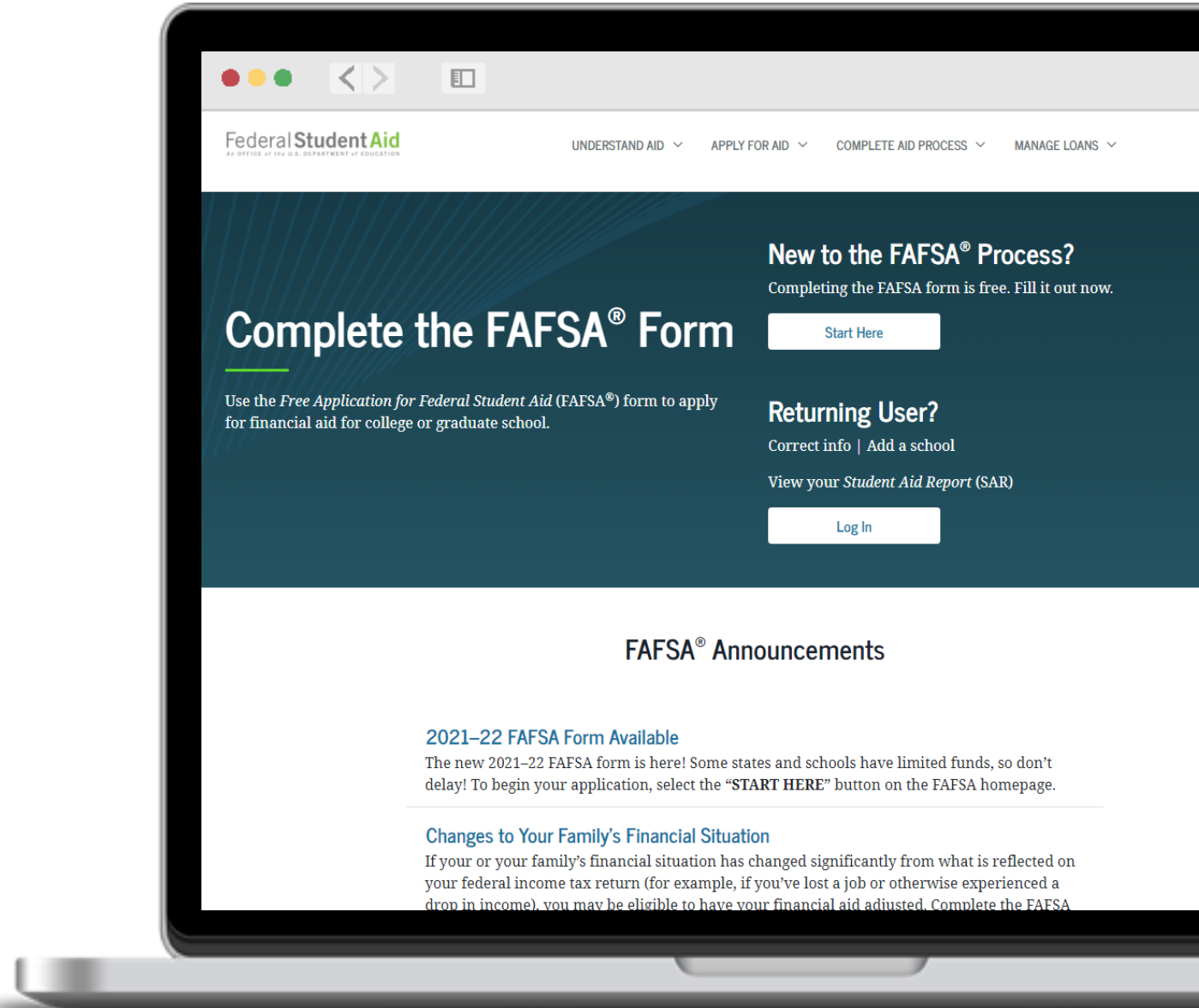


COLLEGE FINANCING

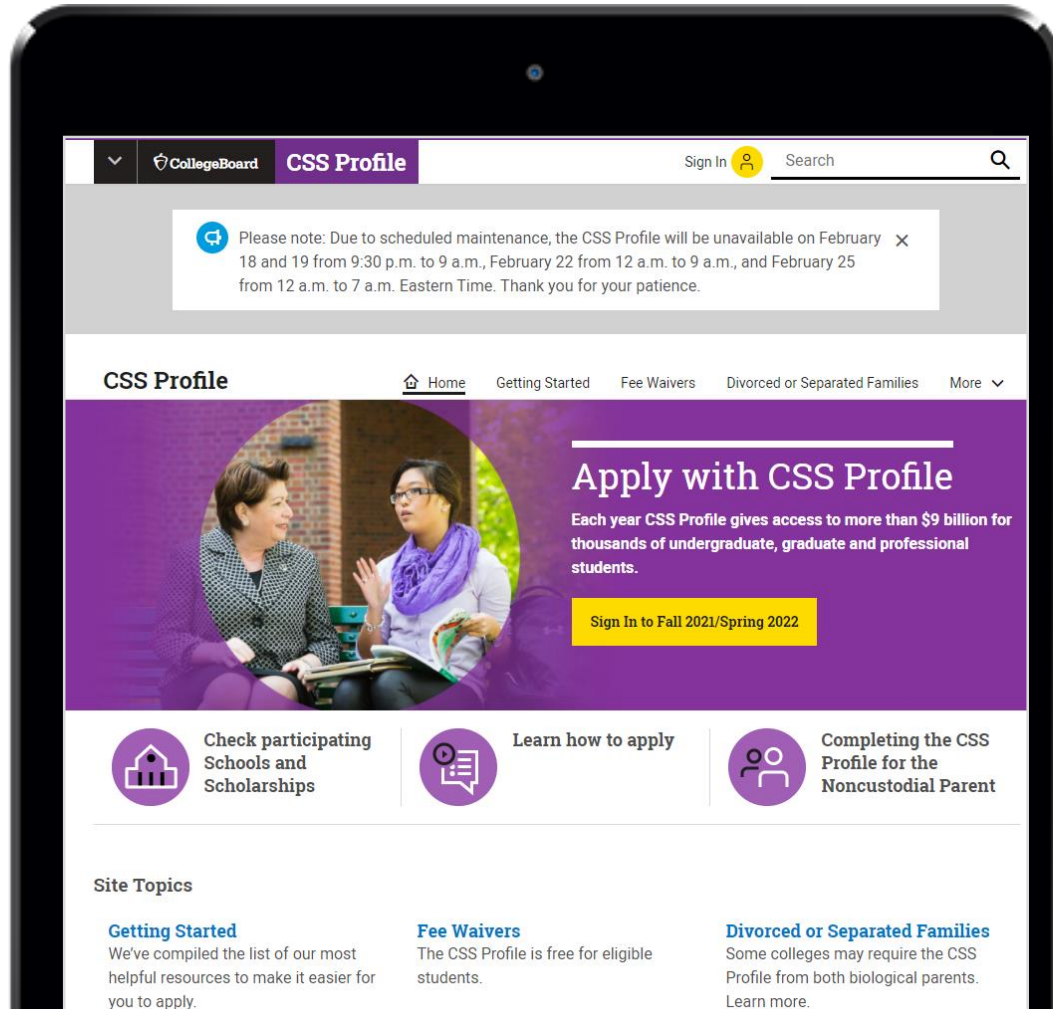
Federal Aid

Make sure you complete the FAFSA Form first.

FAFSA.GOV



Other Aid



COLLEGE FINANCIAL AID



CSS PROFILE

CSSPROFILE.COLLEGEBOARD.ORG



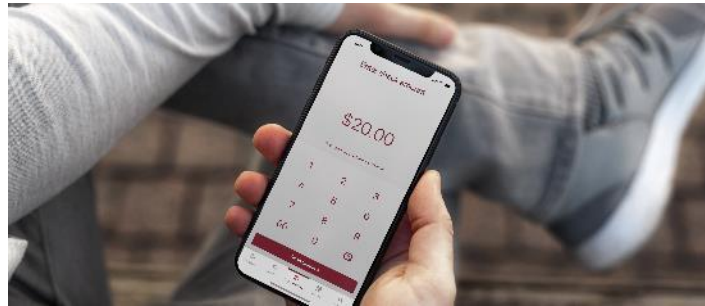
AWARD LETTER

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

Need-Based

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



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

- ✓ 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**

BORROWER	Student is borrower, no credit check required
UNDERGRAD RATE	3.73% FIXED RATE (7/1/21 before 7/1/22)
GRADUATE RATE	5.28% FIXED RATE (7/1/21 before 7/1/22)
GRACE PERIOD	6 months
LOAN FEE	1.057% (10/1/21 before 10/1/22)



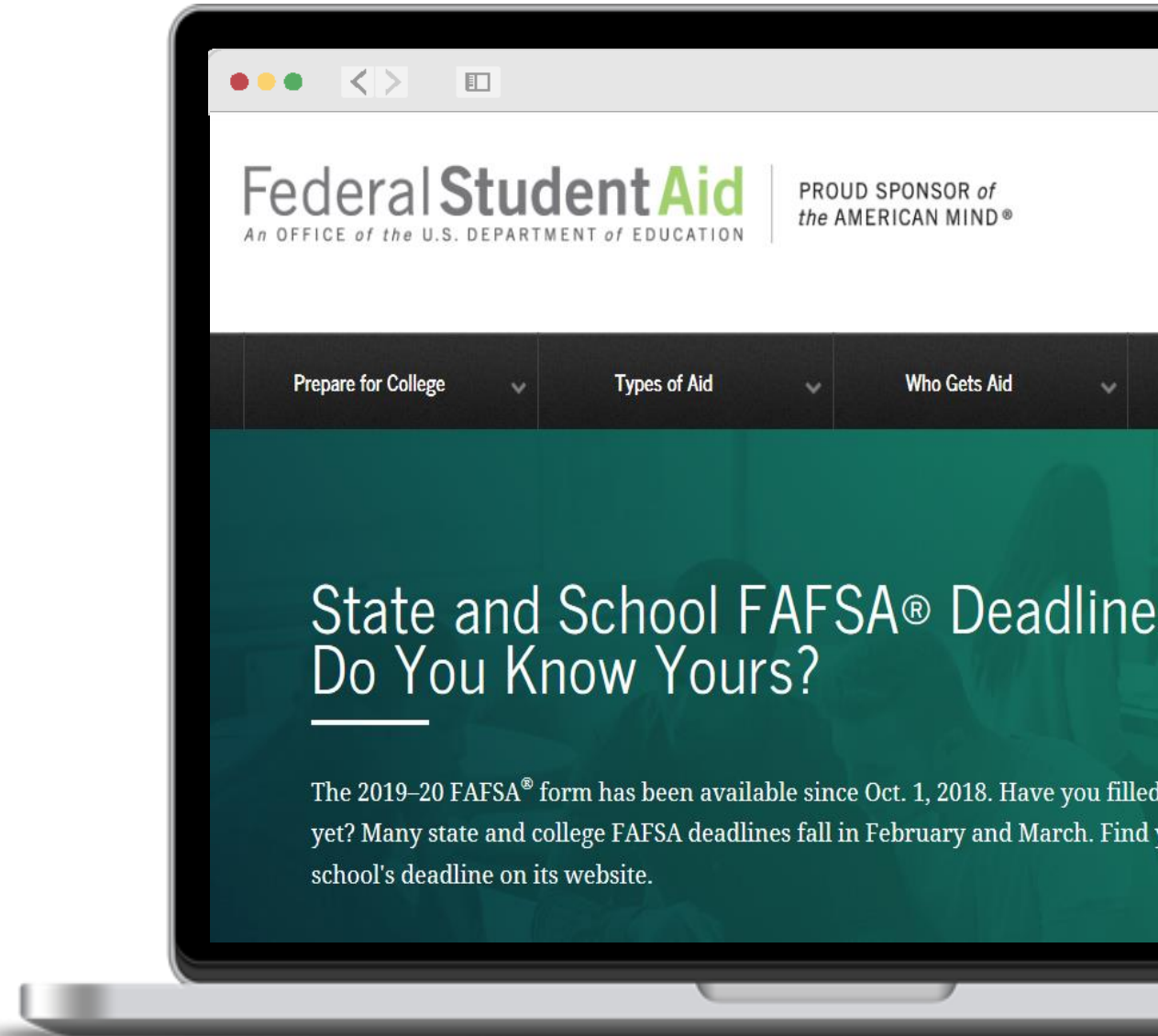
Federal Plus & Graduate Plus Loan

	PLUS	GRADUATE PLUS
BORROWER	Parent (student must complete FAFSA)	Student
GRACE PERIOD	None, but can request deferment	6 months
INTEREST RATE	6.28% (7/1/21 before 7/1/22)	
LOAN FEE	4.228% (10/1/20 before 10/1/22)	
CREDIT CHECK	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

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

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

What is the True Cost?

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

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

Ask College About Options

✓ **Room & Board Options**

✓ **Health Insurance**

✓ **Sibling Discounts**

✓ **Academic Planning**

Summer term

Graduating early

Transfer credits

✓ **Student Scholarships**

Resident Advisor Scholarships

Scholarships for returning students



Private Scholarships

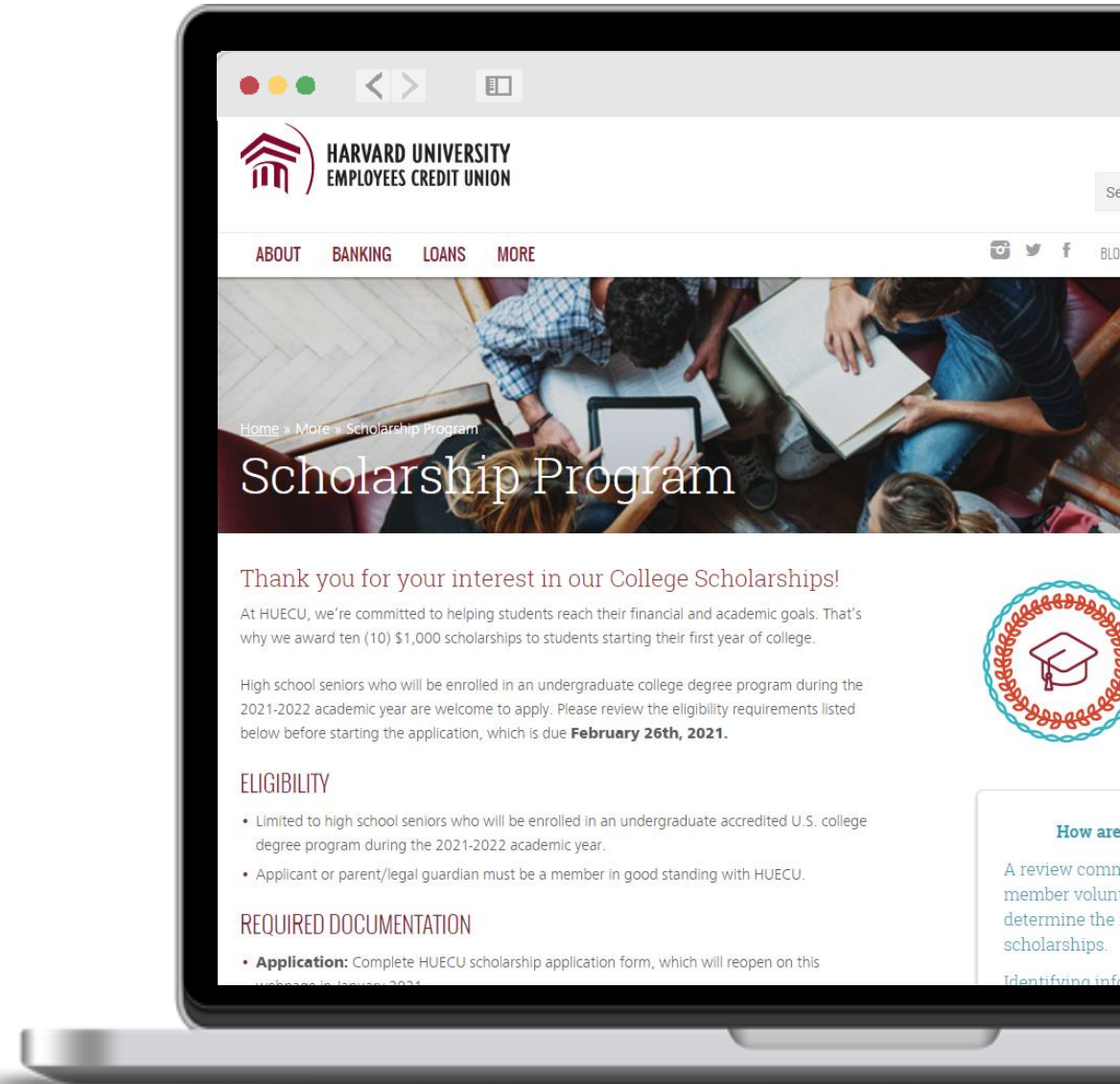
Applying for scholarships should be free. Check with school counselor if asked to pay for search engine.

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



HUECU Scholarship

HUECU.ORG/SCHOLARSHIP





COMPARE EXPERIENCES

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

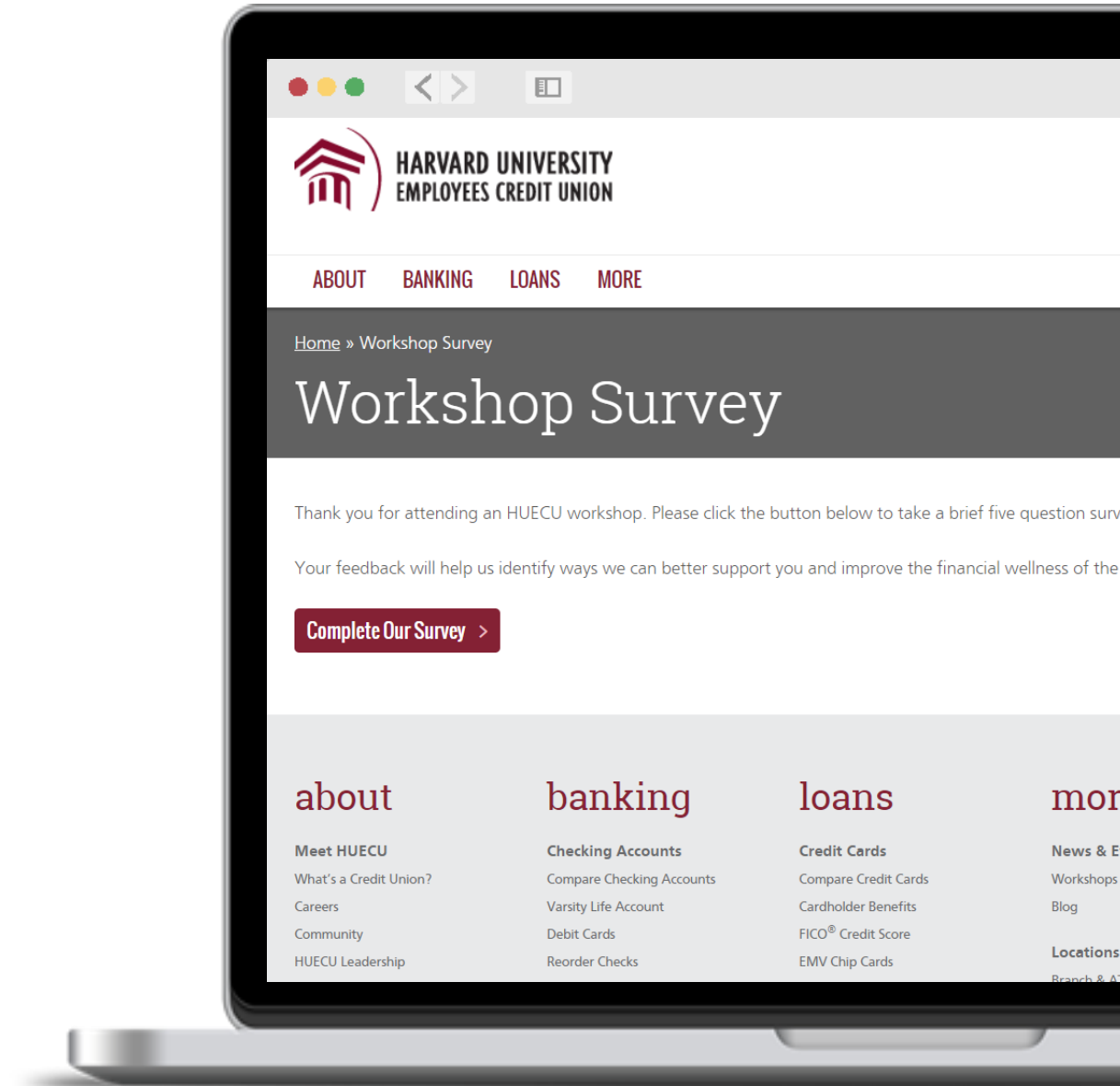
Research Ways to Reduce Cost

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.

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