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## Top Tips for Filling Out Your FAFSA

No matter what college you plan to attend or what type of financial aid you hope to receive, it all starts with the FAFSA.

A lot is riding on these forms, so you want to be sure that you get it right. To make completing your FAFSA a bit easier - and to ensure you get the most aid possible - follow these 10 top tips:

1. Read all of the instructions before you starting filling out the forms.
2. Use black ink if you're filling out a paper copy.
3. Have the following items on hand when you begin filling out your application:
  - Driver's license
  - Social security card
  - Income tax returns
  - W-2 forms
  - Current bank statements
  - Documentation of any untaxed income
  - Current mortgage information
  - Documentation of investment assets, such as stocks and bond
4. Use your legal name as it appears on your Social Security card when filling out the forms.
5. Use whole dollar amounts when answering questions. For example, \$1889.92 would be rounded up to \$1890.
6. When asked about your interest in different types of aid, such as work-study and loans, always say yes to keep your options open. You're not obligated to accept the work-study position or loan if it is awarded.
7. Don't skip questions. Answer each question as you come to it to ensure that you don't leave anything blank.
8. Don't forget to sign the application. You'll use a PIN to sign if you submit the form online.
9. Make a copy of your form before mailing it off. If you completed the form online, then print yourself a copy.
10. Pay attention to the filing dates - complete and submit your FAFSA as soon as possible after January 1st and not before.

## Apply Fast With a FAFSA PIN

According to the U.S. Department of Education, using a PIN is the fastest and most reliable way to sign your FAFSA.

Your Federal Student Aid PIN is much the same as your ATM pin. It's a four-digit number that uniquely identifies you (along with your Social Security number and birth date) and serves as your signature when you submit your FAFSA electronically.

In addition to signing your FAFSA, you can also use your PIN to access your personal records online and make binding legal obligations related to your federal student aid. Your PIN remains the same for the duration of your education and beyond, so you only have to apply for your PIN once.

[For more information on the Federal Student Aid PIN](http://www.pin.ed.gov), visit <http://www.pin.ed.gov>. It's your one-stop shopping for all things related to your PIN, including how it's used and how to apply for your own PIN.

## Using the FAFSA on the Web Worksheet

Are you someone who prefers to write things down on paper before filling in online forms? Are you a bit harried by the FAFSA application process? Looking for a way to simplify all those forms? Then the FAFSA on the Web Worksheet is exactly what you're looking for!

The FAFSA on the Web Worksheet is a question-by-question duplicate of the actual online FAFSA. You can download and print out the FAFSA on the Web Worksheet and complete the questions before you enter the information online. The questions on the worksheet are in the exact order as they appear on the online application.

Another benefit of using the FAFSA on the Web Worksheet is that it tells you all of the documents, such as your tax returns, that you'll need in order to answer the questions on the FAFSA.

The worksheet is a completely optional tool, but it can be a huge help in making the application process go more quickly and smoothly and in ensuring that you answer all of the questions fully and accurately.

The worksheets are available in both color and black-and-white. [To download a FAFSA on the Web Worksheet](http://www.fafsa.ed.gov/before012.htm), visit <http://www.fafsa.ed.gov/before012.htm>.

## Mistakes to Avoid when Filling Out Your FAFSA

You want all of the help paying for college that you can get. That's why correctly completing and submitting your FAFSA is so important.

To be sure you get all the financial aid available to you, and to avoid any delays in processing your application, watch out for these seven common FAFSA mistakes:

1. Leaving a question blank: If a question doesn't apply to you, enter a "0" or "not applicable."
2. Forgetting to list one of the college you applied to: Make sure you have the Federal School Code for each school you plan to apply to.
3. Writing down an incorrect Social Security number or driver's license number: Always be sure to double-check these numbers.
4. Forgetting to sign the application: Electronic applications are signed using a PIN.
5. Using the wrong address: Remember to use your permanent address, not your campus address.
6. Not rounding numbers up to the nearest whole dollar: Don't use decimal points or commas when listing numbers and dollar amounts.
7. Using your W-2 forms instead of your income tax return for listing your federal income tax paid amount: Use your 1040 federal tax return to answer these questions.

## FAFSA Follow-Up

The accuracy of your FAFSA is critical to ensuring that you receive the most financial aid possible. Once you have submitted your FAFSA electronically, there are several steps you can take to follow up and ensure that the information on your application is up-to-date and accurate.

One of the first things you should do is check the status of your FAFSA. If you used a PIN to sign your application, you can check your status one week after submission. If you opted to print and mail your signature page, you should check up on the status of your application 2 to 3 weeks after submitting it.

Once your FAFSA has been processed, you can print out a copy of your student aid report. This will give you an opportunity to carefully review the information on your FAFSA. If there are any mistakes, you have the ability to correct your FAFSA, even after it has been processed. These corrections can be made online using your PIN.

Last, if you change which schools you decide to apply to, you have the ability to add or remove the school codes listed on your FAFSA. This also requires a PIN to complete.

## How to Read Financial Award Letters

A financial award letter tells you how much financial support that particular school is able to provide you with for the upcoming school year. Sounds simple enough, but sometimes award letters can be a bit tricky to decipher. To help make all those terms and numbers a bit more clear, we've put together this mini how-to guide for reading financial award letters.

First, there are four terms you need to know and understand:

1. Grants: Money that doesn't have to be repaid.
2. Scholarships: Money that doesn't have to be repaid.
3. Work-study: Money you earn by working.
4. Loans: Money that does have to be repaid.

The financial aid you receive will come in the form of one or more of these sources of funding. Don't just look at the numbers - be sure you understand the source of the funding. The less you have to take out in loans, the better!

For scholarships and grants, pay close attention to requirements, such as a minimum GPA, for retaining the funding. Also note whether they are one-time or renewable annually.

In order to compare financial aid offers from various schools, you'll need to first answer these questions for each school:

1. What is the total amount of financial aid I'm being offered?
2. How much of the aid has to be repaid?
3. How much out-of-pocket expenses am I going to be left with?

Last, look at the deadline for accepting your award. You don't want to miss out on any money because you've replied too late!

## **Busted: Myths about Financial Aid**

Don't let myths about college financial aid hold you back from attending the school of your dreams. Read on to get the straight facts on financial aid:

**Myth:** I just can't afford college.

**Fact:** This is perhaps the most pervasive financial aid myth of all. Students at most levels of financial need will qualify for some type of federal aid - that's why filling out your FAFSA is critical. Don't discount the possibility of working while in school (see the next myth), and be diligent about applying for each and every scholarship you qualify for.

**Myth:** Working while I'm in school will kill my grades.

**Fact:** Working students have to practice excellent time management skills, which means they are more adept at making the most of their study time. It sounds contradictory, but working students actually tend to do better in their classes than non-working students.

**Myth:** I have to be a straight - A student to qualify for scholarships.

**Fact:** Not all scholarships are merit-based. There are numerous scholarships with unique qualifications that aren't based on grades. For example, you can find scholarships awarded based on need, essays, contests, community service, cultural backgrounds and personal achievements.

**Myth:** There's no way I can afford a private college.

**Fact:** Private colleges are interested in attracting a diverse array of students, which means you are often more likely to get generous financial aid from a private school than a public school. Also, the more a college costs, the more financial need you can demonstrate when seeking federal aid.

**Myth:** My parents make too much money for me to qualify for financial aid.

**Fact:** Schools offer financial aid packages that meet the needs of students from all financial backgrounds. Also, keep in mind that there are numerous loans available that aren't based on financial need. Additionally, as mentioned above, scholarships are awarded based on a number of different factors. Many don't take financial need into account.

When it comes to affording college, where there's a will there's a way! With scholarships, federal student aid, the option of working and school financial aid packages, you're likely to get the help you need to afford the college of your dreams.

## Top 5 Scholarship Mistakes to Avoid

Scholarships are free money for college, and there's nothing better than free money, right? Increase your chances for getting as many scholarships as possible by avoiding these 5 common scholarship mistakes.

1. Not applying for enough scholarships: Don't stop at just one or two and hope for the best. Apply for all of the scholarships for which you qualify.
2. Applying for scholarships for which you don't meet the qualifications: Speaking of qualifications, be sure you read the guidelines for each scholarship carefully. You don't want to waste any of your time applying for a scholarship you don't qualify for.
3. Not proofreading the application before you send it: Typos and grammatical errors reflect negatively on the applicant, so put your best foot forward and always proofread your applications - twice!
4. Missing the deadline: Here's an easy way to ensure that you don't miss out on a scholarship by missing a deadline: Create a simple calendar and make a note of the deadline for each scholarship you're applying for. Post the calendar in a highly visible place and check it each day.
5. Starting the application process too late: The early bird gets the worm when it comes to scholarships. You don't want to miss out on money simply because another applicant got their application in first.

## Tips for Using Online Scholarship Search Engines

If you're on the hunt for ways to pay for college, an online scholarship search engine can be your best friend. Most search engines work the same way - you set up a free account and fill out a detailed profile (GPA, SAT score, intended major, etc). The search engine then cross references the information you provide in your profile and compiles a list of the scholarships for which you are eligible.

Scholarship search engines are one of the most efficient ways to locate scholarships, and you can make your search even more fruitful by following these 5 tips:

1. Come back often: Search engines are constantly adding new scholarships to their database. Check back frequently to make sure you don't miss out.
2. Play the "what if" game: Your GPA, school of choice or SAT score may change between now and the deadline for a given scholarship. See what comes up if you search for scholarships based on this information so you'll know what's available if you bump up your GPA or retake the SAT and get a higher score.
3. Declare yourself undecided: There are many scholarships out there available to students regardless of their major. Run a search as an "undecided" to be sure you learn about the general scholarships.
4. Brainstorm your attributes: Scholarship search engines sometimes give you the option to search for scholarships based on your extracurricular activities or talents. Before you start searching, come up with a list of your special skills and achievements to have handy when you fill out your profile.
5. Double-check the information: Don't rely 100% on the information you get from these searches. Always do follow-up research to be sure that you've got the most up-to-date information about application requirements and deadlines.

## **The Surprising Benefits of Working Your Way Through College**

Uncle Sam wants to give you a break for going back to college! And he's doing it with the Lifetime Learning Tax Credit!

The Lifetime Learning Tax Credit is a tax credit you can qualify for when you take college classes. Depending on your income level, it may allow you to claim a credit of up to \$2000 on your individual income tax returns for qualified tuition and related expenses. The benefit of the Lifetime Learning Tax Credit is that it reduces the amount of taxes you may have to pay.

You can claim the Lifetime Learning Tax Credit for either yourself, your spouse or a dependent. Another benefit of the Lifetime Learning Tax Credit is that there is no limit on the number of years for which the credit can be claimed for each student.

For purposes of the Lifetime Learning Tax Credit, qualified tuition and related expenses are the tuition and enrollment fees you must pay in order to enroll in and attend an eligible education institution. Yet another reason the Lifetime Learning Tax Credit is so cool is that non-credit courses to attain or improve your job skills may also qualify!

### **The Lifetime Learning Tax Credit**

Some college students might think of working their way through school as a last resort to turn to once all of their financial aid options have been exhausted. However, you might be surprised to learn that working while you're in school actually offers lots of benefits. Check it out:

1. Take out fewer student loans: By working your way through school, you'll limit the amount of student loans you have to take out - which means less to repay in the future!
2. Earn money: This one sounds obvious, but consider the fact that earning a salary in addition to what you get in student aid will give you extra pocket money for fun stuff!
3. Learn to budget: You're likely to be more careful with money that you have to earn, which can teach you valuable money management skills that will equate to financial stability in the future.
4. Learn time management: Balancing work and school will force you to learn how to use your time more wisely.

5. Get better grades: Less time for studying means better grades? Surprisingly, the answer can be yes! When your study time is limited, you'll make the most of it and actually apply yourself more than if you had tons of free time on your hands.

## **Stafford Loan Interest Rates**

When it comes to student loans, the interest rates and terms of Stafford Loans are usually the best. Stafford Loans are student loans made by the federal government. There are two types, subsidized and unsubsidized, each with their own interest rate.

For the 2009 to 2010 academic year, the interest rate for a subsidized Stafford Loan is 5.6% and 6.8% for an unsubsidized Stafford Loan. Graduate Stafford Loans, both subsidized and unsubsidized, have a fixed interest rate of 6.8% through the year 2013.

Note that interest rates on subsidized Stafford Loans will be decreasing over the next few years. For the 2010 to 2011 academic year, the interest rate will be 4.5%, and for the 2011 to 2012 academic year it's 3.4%

Quick tip: Interest accrues on your Stafford Loans while you're in school, and you have the option of paying the interest every month or deferring it until you graduate.

## **5 Tips for Paying for College in Tough Times**

Don't let the tough economy keep you from attending college. Here are five simple tips for paying for college even in a recession:

1. Apply to both private and public schools: While private schools have higher tuition rates than public schools, they sometimes offer very generous scholarships that can amount to little to no money out of pocket for you.
2. Spread the word: Let absolutely everyone know that you're looking for money for college. You never know what relative may be able to chip in or who might have a lead on a great scholarship.
3. Be upfront with your school's financial aid office: Let the financial aid office know about your situation and simply ask what they can do to help.
4. Apply early for scholarships: Some forms of financial aid are handed out on a first-come, first-served basis, so get started early in applying for both scholarships and in filling out your FAFSA.
5. Hit the books hard: Merit scholarships are more plentiful in general than need-based scholarships, so get those grades up and participate in extracurricular activities.

## **American Opportunity Tax Credit**

For students seeking sources to help fund their college education, the American Opportunity Tax Credit is a partially refundable tax credit, in effect for 2009 and 2010. This credit is to be used for the first four years of a student's college education and is 40% refundable. It increases the Hope Scholarship Credit to cover one hundred percent of a student's qualifying tuition and materials during the year (not over \$2,000) plus twenty-five percent of the next \$2,000 on qualifying tuition and materials. No matter what, the total credit cannot exceed \$2,500.

Full credit is available if your annual income is less than \$80,000 (\$160,000 for married couples and other joint filers). If your annual income falls somewhere between \$80,000 and \$90,000 (\$180,000 for married couples and other joint filers), you can receive a partial credit. This tax break will also be partially refundable, which means that if you are part of a lower income family with little or no tax liability, you are now eligible to claim some of the credit.