

YOUR FEDERAL STUDENT LOANS



PREPARE—UNDERSTANDING FINANCIAL AID AND YOUR LOAN OPTIONS

Paying for a postsecondary education (college or trade school) is an investment. It requires planning. It takes money. So talk with your family openly and early. If you're in high school, you can also talk to a guidance counselor at your school; they often have helpful information about planning for a postsecondary education. You also can contact a financial aid office at the college you plan to attend or are considering attending.

How much does college cost?

To determine your total college costs, you should get as much detailed information as you can from schools you are interested in. These costs are usually listed in the college's brochure or on its website. Keep in mind that college costs are not just tuition and room and board. Table 1 provides a description of common college costs.

Table 1.
Description of college costs by selected expenditure items

Item	Description
Tuition	The cost of taking a course varies from school to school. To search for tuition costs at different colleges, go to www.studentaid.ed.gov/myfsa .
Room and board	The cost of lodging and food varies from school to school. Go to www.studentaid.ed.gov/myfsa to search for estimated costs.
Books and school supplies	Books can be expensive. School supplies can include book bags, notebooks, pens, pencils, paper, folders, stapler, desk organizing system (trays, pen holder, etc.), computer paper, etc. According to the College Board, the national average cost for textbooks at four-year public colleges in 2009–10 was \$1,122.
Fees	Fees will depend on the school you're attending. This list can be obtained directly from the school. Fees include activity fees, parking decal fees, etc.
Equipment and room materials	Equipment may include a computer, printer, etc. Furnishings or room materials may include such items as reading lamps, microwave, refrigerator, sheets, towels, etc.
Travel and miscellaneous expenses	If you live on campus, you'll probably need to travel during school breaks. Other expenses can include clothing and cell phone use.

What financial resources are there?

You and your family have the responsibility of planning and paying for college. Your financial resources come from

- scholarships,
- prepaid or college savings plans,
- personal savings, and
- money from work (summer, part-time, etc.).

If you still need additional money, turn to

- the federal government, and
- institutional and state aid.

What is the federal government's role in financial aid?

The federal government is the main provider of financial aid for college. Every year, students and parents receive more than \$150 billion in federal student aid. With all these funds available, applying for aid from the federal government is a good option. Federal student aid from the federal government includes:

- **grants**—free money that doesn't have to be repaid, except in some cases when you withdraw from school;
- **work-study**—money you earn to pay for your education;
- **loans**—money you borrow for school, which you must repay with interest.

Why should I consider a loan from the federal government?

Federal student loans usually offer borrowers lower interest rates and have more flexible repayment options than loans from banks or other private sources.

What about grants and work-study from the federal government?

This publication is focused on loans because they are the largest source of federal student aid. For detailed information on our grant and work-study programs, visit Student Aid on the Web at www.studentaid.ed.gov/applying. Student Aid on the Web also has information on scholarships and other sources of federal and nonfederal aid for college.