



RISLA
College
Planning
Center

PRESENTS

Paying for College

Responsible Borrowing

***NO NOTES NEEDED! SCAN QR CODE**



What's new?

Visit collegeplanningcenter.org for more details

FAFSA Notification

Sign up for 2025–2026
FAFSA Delay updates

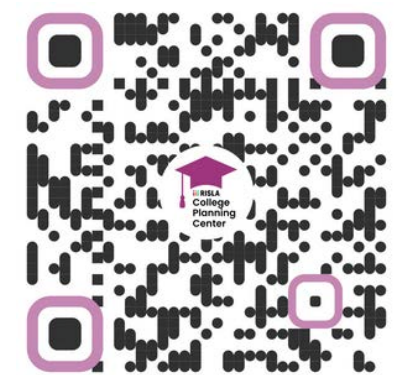
SCAN
ME! >>



FSA ID Workshops

1st Step
for Your FAFSA

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Calculating the Total Cost of College

Cost of Attendance includes direct costs (those on your tuition bill) and indirect costs (such as books and living expenses).



Room &
Board

Tuition
& Fees

Books &
Supplies

Transportation
& Living
Expenses

Look for free
money: grants &
scholarships

Go to cash reserves:
529 Plans, savings,
cash gifts

Research payment
plans: Even if only
partial amount owed
can fit into your
monthly budget



Minimize Student Debt

**Borrow ONLY what you
need & no more!**

If borrowing is
necessary
consider federal
first. Subsidized
then unsubsidized

private loans:
shop for best
rate & terms

Reminder: College costs
are for multiple years,
so borrowing can really
add up for a large
repayment debt after
you leave school.



Bridging the Financial Gap

The balance due after you deduct grants and scholarships from your total cost of college is referred to as the **Financial Gap**. You are responsible for this balance due to the school.



Grants & Scholarships

Look for More!

Grants

- **Federal**
 - Pell Grant
 - TEACH
 - FSEOG
- **State**
 - Allocated by schools
- **School**
 - Merit (Tuition Discount)
 - Miscellaneous School Specific

Scholarships

- **School**
 - Academics or Athletics
- **Private**
 - **National**
 - [Appily.com](https://www.appily.com)
 - [Scholarshipowl.com](https://www.scholarshipowl.com)
 - [Unigo.com](https://www.unigo.com)
 - **Local**
 - [rischolarships.org](https://www.rischolarships.org)
 - [rifoundation.org](https://www.rifoundation.org)
 - Your high school, church, and community.



Work-Study

What it IS

IS considered federal aid

- In order to be eligible for work-study, you must complete and submit your FAFSA annually.
- Funds are awarded based on need, the school's level of funding and when the student applies for financial aid since funds are limited.
- The amount of money a student earns during their Work-Study position cannot exceed the amount they are awarded by their school.

What it is NOT

NOT a reduction/discount of tuition costs or cost of education.

- Funds are not applied directly to your tuition.
- Students who are awarded work-study receive the funds in a paycheck based on hours.
- The student will be paid directly for the work and the earnings cannot exceed the total amount awarded by the school for the award year.

Payment Plans & Cash



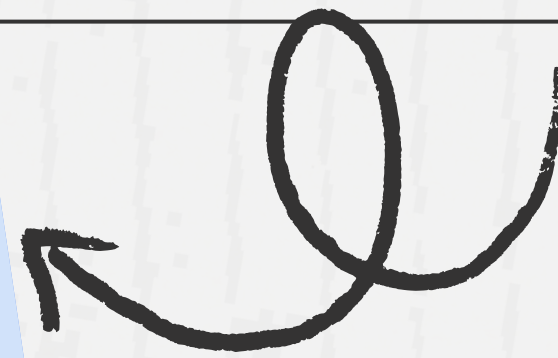
Lump Sum Cash

- 529 Withdrawals
- Parent Savings
- Student Savings

If not the whole balance than some of the balance managed with a 10-month payment plan will still reduce student debt.

School Payment Plan

- If you do not have a lump sum on hand to reduce the balance, look to your monthly budget to see if you can manage the balance due over 10-Months.
- Payment plans will have a one-time enrollment fee ranging from \$50 to \$100.





Payment Plans



Scenario #1

You owe school \$10,000

- After merit aid, grants, and scholarships you will owe the school \$10,000 (\$5,000 each semester)
- You do not want to dip any further into savings and write a check for \$10,000
- However, your monthly budget allows you to pay \$1,000 per month (5 payments for fall and 5 payments for spring) directly to the school.

Congratulations! that is \$10,000 you will not need to borrow reducing student debt by possibly **\$40,000 over the 4-year period** should you continue to use the payment plan in the same manner for future years.

Scenario #2

You owe school \$10,000

- After merit aid, grants, and scholarships, you will owe the school \$10,000 (\$5,000 each semester)
- You do not want to dip further into savings and write a check for \$10,000 or even \$5,000.
- However, your monthly budget allows you to pay \$500 per month (5 payments for fall and 5 payments for spring) directly to the school.

Congratulations! that is \$5,000 you will not need to borrow reducing student debt by possibly **\$20,000 over the 4-year period** should you continue to use the payment plan in the same manner for future years.

Note: In this scenario you will still owe the school \$5,000 which you could consider alternative finance options such as federal or private loans.

Federal Loans



Subsidized



- Federal government pays interest while student is in school and in their grace period.
- Awarded to students whose families can prove financial need.





Unsubsidized

- Student is responsible for all interest charges accrued while in school.
- Awarded to students whose families cannot prove financial need.

Note: FAFSA must be submitted to be eligible for Federal Direct Loans

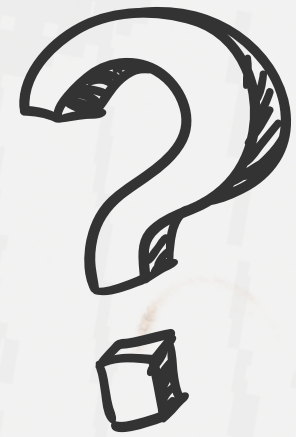


Federal Loan Dollar Limits



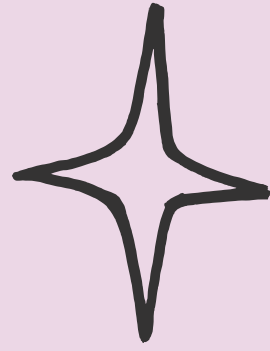
Year in School	Annual Limit (Subsidized & Unsubsidized)	Additional Unsub. Loan Limit (Independent Students Only)
1st Year	\$3,500 Sub. + \$2,000 Unsub.	\$6,000
2nd Year	\$4,500 Sub. + \$2,000 Unsub.	\$6,000
3rd–5th Year	\$5,500 Sub + \$2,000 Unsub.	\$7,000
Graduate Students	\$8,500 Unsubsidized	\$12,000

Should You Consider Federal Plus?



What to consider:

- For the 2024/2025 academic year, a PLUS loan for parents will be offered at 9.08% In addition, there is an origination fee set each year (currently at 4.228%), which comes out of the loan amount that's disbursed to your school. Therefore, you must borrow more to have the full amount paid to the school, which is another cost added to your loan and repayment
- Credit requirements for approval are less stringent with the PLUS than with most private students for parent loans.
- Multiple repayment plans are offered to help lower the amount you pay monthly.
- Loan terms range from 10 to 25 years, and you can borrow up to the cost of attendance minus other financial aid received.
- The PLUS loan is considered an immediate repayment loan (pay while the student is in school), but a parent can request a deferment.
- The student is not obligated to pay the loan.
- Interest rates are traditionally not the lowest offered when compared to many private lenders, making repayment costs higher.



Private Loans



Non-Profit, Private Lender

- State-based lenders
 - RISLA
 - MEFA
 - CHESLA



For-Profit, Private Lenders

- Banks (e.g. Citizens)
- National lending organizations (e.g. Sallie Mae, SoFi)



Shopping for Loans

- As low as rates
- Variable vs. Fixed
- Student vs Parent vs. PLUS Loan
- Fees
- Repayment start (during/after school)
- Cosigner Requirements & Release
- Borrower Protections





Interest Rates



"As low as"

- The rate you receive is primarily based on your credit score.
- If you have a perfect score and meet the additional criteria for rate incentives or discounts you may receive the lowest rate.
- Get your rate quote before applying and be sure to shop the actual rate granted to you versus comparing the as low as rate against other lenders



Fixed vs. Variable

Fixed Rate

- Rate does not change over length of loan.
- Monthly payment remains the same.
- Fixed rates are often higher than variable rates when comparing, but they have less risk associated with them.

Variable Rate

- Rate changes as market conditions change.
- Monthly payment changes as rate changes.
- There is more risk associated with a variable rate loan.

Student vs. Parent vs. PLUS



Student

- Cosigner required for private loans.
- Immediate Repayment & Deferred Loans Offered.
- Builds credit for student.
- Traditionally lower rate than Parent or PLUS.



Parent

- Student not obligated on loan.
- Immediate Repayment required.
- Can be higher cost than immediate repayment student loans.



PLUS

- Has an origination fee of 4.48%.
- Immediate repayment required.
- Higher approval rating than most private lenders.
- Can be higher cost than private immediate repayment loans.

Repayment Terms & Fees

Repayment Terms

Immediate vs. Deferred

- **Immediate Repayment**
 - Traditionally lower rate option.
 - Payment is required while student is attending school.
- **Deferred Repayment:**
 - Traditionally, the rate is higher than immediate repay loans.
 - No payment is required while student is attending school.
 - Interest accrues while student is in school
 - Higher overall interest cost over the term of the loan.

Term Length

- 5,7,10,15,20,25.
- Longer the term, higher the rate, higher total interest cost over the term of the loan.

Fees

Be sure to inquire about:

- Origination Fees
- Disbursement Fees
- Insufficient Funds Fees
- Late Fees
 - When
 - How much

Many lenders today offer do not charge upfront fees, like the federal PLUS does



Cosigners

- Most undergraduate private student loans require cosigners.
- Cosigners' credit scores can improve the rate offered.
- Cosigners must repay the loan if the borrower (student) cannot repay.
- Cosigner release is typically offered for student loans, allowing the cosigner to be removed from repayment obligation. Requirements can vary per lender.
 - **Note: Typically, to qualify for cosigner release, all payments must be on-time payments.**

Borrower Protections or Benefits

Don't just compare the rates, especially when rates are similar benefits can add more value and protection.

- For private loans, is there an income based repayment option available?
- What are the forbearance options and lengths in order to temporarily stop repayment without penalty when borrower experiences income loss due to loss of employment or health issue?
- Is balance forgiveness available in the unfortunate event of death or disability?
- Is deferment available if you go back to school?
- If you are a member of the military does the lender offer SCRA benefits?



Know Before You Owe

How much should you borrow?

- It is recommended that you borrow NO MORE than your first year's expected salary (for your collective years of borrowing).
- Use a [free salary estimation calculator](#) to get some borrowing cap suggestions.

What will my monthly payments be?

- Use a [free loan payment calculator](#) to see what your estimated monthly payment will be once you leave school.

Reminder

- Higher education is a multi-year investment don't forget to multiply by 2,3,4,5, depending on the number of years you plan on attending school.

Additional Resources

- **Federal Student Aid:** studentaid.gov
 - FAFSA
 - Grants & Federal Loans
 - Loan Repayment & Forgiveness
- **RISLA's College Planning Center:** cpcri.org
 - One-on-One Counseling Appointments
 - Online tools and resources
 - Customer Service: staff@cpcri.org | 401-736-3170
- **RISLA:** risla.com
 - Education Loans
 - Customer Service: customerservice@risla.com | 800-758-7562

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