

# WHAT TO KNOW



# BEFORE YOU BORROW

Financial Aid Department, Western Washington University

2016-2017 Academic Year

**This brochure contains tips for reducing your expenses and the amount of money you may need to borrow while attending Western. We recommend that you read this brochure before accepting any loans.**

## What makes up your cost of attendance?

It's important that you understand the components that make up your cost of attendance (COA) so that you can identify ways to minimize your borrowing. A good place to start is by understanding the difference between fixed and variable educational expenses.

When determining how you can reduce the amount of money you need to borrow, consider that **tuition and fees are your only fixed expenses**. You have some degree of control over everything else. Your variable expenses include:

- \* **Room & Board** - If you live on-campus, consider which meal plan would best suit your needs. There are a variety of plans with different costs from which to choose. If you don't plan to eat every meal in the dining hall, consider a reduced meal plan. Juniors and seniors often choose to live off-campus with roommates. If you make this choice, consider the cost of utilities, lease deposits, and transportation costs, as well as your legal rights.
- \* **Books & Supplies** - The AS Bookstore provides a variety of options for purchasing textbooks— their Verba price comparison shopping tool allows you to compare pricing on new and used books, rentals, and other online marketplace options. At the end of each quarter, you can sell the books you no longer need back to the bookstore for up to 50% off of the selling price.
- \* **Transportation** - Do you really need to bring your car? Gas, maintenance, and parking can be expensive. All students enrolled at least half-time (6 credits) on the Bellingham campus receive a WTA bus pass as part of their mandatory quarterly fees. Bring a bike and utilize the bus system.
- \* **Personal & Miscellaneous** - Develop a monthly budget for personal expenses like eating out and entertainment, and stick to it! Evaluate the necessity of having expensive cell phone plans- are you using all the minutes/data you pay for?

As you further evaluate other ways to fund your variable expenses, consider the resources outlined on the following pages before accepting all your loans.



Photo by David Scherrer, WWU

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## Be Prepared

Build a scholarship portfolio!

Having application materials on-hand saves time and effort.

The following items are routinely asked for in scholarship applications:

**Résumé** – List your work, volunteer, and leadership experiences

**Letters of Recommendation** – Keep them updated throughout college

**Transcripts** – From other colleges

**Completed FAFSA** – Many scholarships require the FAFSA to be filed to assess financial need

**Personal Statement** – Academic and career goals, challenges and/or opportunities you've experienced

## Scholarships Pay Off

Wondering if searching and applying for scholarships is “worth your time?”

### ***Spend 10 hours searching and applying for scholarships***

Set up a profile at [www.thewashboard.org](http://www.thewashboard.org) to make searching easier

### ***Apply for 5 scholarships***

By having your scholarship portfolio ready, you can apply for multiple scholarships at once

### ***Receive one \$500 scholarship***

Even one \$500 scholarship will make a difference

### ***You just earned \$50 per hour***

Imagine how much you'd earn if you were selected for more than one scholarship

## Scholarships

Looking for additional resources to help with educational expenses? The WWU Scholarship Center is available to assist students and their families as they search and apply for scholarships. A scholarship is **free** money for college that doesn't need to be repaid. The total amount of scholarships awarded to Western students from all sources exceeds \$8 million annually; almost \$4.5 million of this is awarded as institutionally funded Western Washington University scholarships. The Scholarship Center maintains a website at [www.finaid.wvu.edu/scholarships](http://www.finaid.wvu.edu/scholarships) listing available WWU scholarships as well as scholarships from private donors.

Make sure you register at [www.thewashboard.org](http://www.thewashboard.org), a free scholarship clearinghouse sponsored by the Washington Scholarship Coalition.

## Employment

Working during your university education is critical to assisting with your financing, as well as contributing to your future employability. On average, students who work during college are more likely to graduate, have higher grade point averages and gain the ability to demonstrate the skills that future employers expect from college graduates.

### ***Start Now!***

It is in your best interest to begin working now to save money for your educational costs at Western. If you are able, plan to work this summer. Having some employment history (paid, non-paid or volunteer) will help your marketability in applying for jobs at Western and in the Bellingham community.

**For more information regarding employment opportunities on- and off-campus, visit the WWU Student Employment Center website: [www.finaid.wvu.edu/studentjobs](http://www.finaid.wvu.edu/studentjobs)**

## By the Numbers: It PAYS to work now!

**Academic year:** \$11/hour x 10 hours/week x 30 weeks = **\$3,300**

**Breaks:** \$11/hour x 40 hours/week x 16 weeks = **\$7,400**

**Total: \$10,340**

*Please note this calculation still leaves you with six weeks of rest during the year!*

This amount can pay your tuition for the academic year, or your housing – and perhaps personal expenses depending on your consumer choices regarding rent and food.

**Watch your expenditures and distinguish between what you truly need vs. what you want. Remember: One who fails to live like a college student while in college may live like one after.”**  
- Ancient Financial Aid Proverb

## Other planning resources

Forecast your starting salary for various careers by visiting the [Bureau of Labor Statistics](https://www.bls.gov/bls/blswage.htm) website at [bls.gov/bls/blswage.htm](https://www.bls.gov/bls/blswage.htm). Use the [Mapping Your Future Debt Calculator](https://www.mappingyourfuture.org/paying/debtwizard) at [mappingyourfuture.org/paying/debtwizard](https://www.mappingyourfuture.org/paying/debtwizard) to help determine how much student loan debt you can manage based on your anticipated starting salary upon graduation.

**NOTE:** Student loan payments should be **8 % or less** of a student's net monthly income after graduation.

**Financial Awareness Counseling** is an online resource developed by the Department of Education. It can provide you with the basics of financial management and information about your *federal student loan* debt, including a feature that can help you estimate what your student loan debt is likely to be when you leave school. This resource is available online at [www.studentloans.gov](https://www.studentloans.gov).

**National Student Loan Data System** (NSLDS) is a national database that provides an integrated, centralized view of your Federal loans during their complete life-cycle. Use this database to review and monitor your loan debt throughout college. Access is available at [www.nsls.ed.gov/nsls\\_SA/](https://www.nsls.ed.gov/nsls_SA/).



### Contact Information:

#### *Financial Aid Services*

(360) 650-3470  
financialaid@wwu.edu  
Old Main 265

#### *Scholarship Center*

(360) 650-3471  
scholarshipcenter@wwu.edu  
Old Main 285

#### *Student Employment Center*

(360) 650-3158  
studentemployment@wwu.edu  
Old Main 275

#### *Student Business Office*

(360) 650-2865  
sbo@wwu.edu  
Old Main 110

## What else do I need to know?

Do you know that you can **accept less loan** than what is offered on your award letter? You may request reinstatement of previously declined loan at any point during the year. Eligibility will be determined based on cost of attendance and whether you are making satisfactory academic progress.

Remember that your consumer choices can greatly impact your need to borrow. It is recommended that you borrow funds to meet your **actual expenses only**, rather than maximizing your loan indebtedness for costs you may be able to cover through other means.

If you need to borrow, **borrow conservatively!** You may not need every dollar that is offered. For example, if you are not bringing a car to campus, you may not have transportation expenses and therefore, may not need to borrow money to cover that portion of your cost of attendance.

All future financial aid information will be sent via email to your **official WWU email address**. Check your account regularly for information that may be sent regarding your award.

Grants and waivers are **free money** that do not need to be repaid. If these funds appear on your award letter, accept them!

If you have been awarded **scholarships** that are not currently reflected on your award letter, be sure to factor that money in when examining your cost of attendance to determine how much you may need to borrow.

For Direct Unsubsidized Loans, **interest begins accruing** while you are in school. If possible, make your interest payments before the interest capitalizes (the interest accrues interest) to keep your principal loan balance from growing.

**Alternative Educational Loans** are available through banks, credit unions, and other private lenders. These loans require a separate application that you, the student, initiate with the lender of your choice. A credit check is also conducted. It is strongly recommended that students who apply for Alternative Educational Loans use a co-signer in order to obtain the best interest rates and terms.

# Compare Your Loan Options

For first-time loan borrowers, additional information is required before you can receive your loan. Federal Direct Loan borrowers must complete a Master Promissory Note and Entrance Counseling at [www.studentloans.gov](http://www.studentloans.gov). Perkins Loan borrowers will receive an email sent to their official WWU account from the Financial Aid Department regarding additional requirements.

Parent borrowers must complete a separate application (online at [www.studentloans.gov](http://www.studentloans.gov)) and pass a credit check. If the credit check is approved, parent borrowers must complete a Master Promissory Note online as well.

	Federal Perkins Loan	Federal Direct Subsidized Loan	Federal Direct Unsubsidized Loan	Federal Direct Parent/Graduate PLUS Loan	Alternative Educational Loan
Borrower Responsible for Repayment	Student	Student	Student	Parent/Graduate Student	Student (and co-signer, if used); Co-signer may be parent, relative, or willing sponsor
Eligibility	At least half-time enrollment; requires demonstrated financial need	At least half-time enrollment; requires demonstrated financial need; undergraduate student	At least half-time enrollment	At least half-time enrollment; parent(s) credit check	Student (and co-signer, if used) credit check; enrollment requirements vary by lender
Interest Rate	5% fixed; no interest charged while in school or during deferment	3.76% fixed; no interest charged while in school or during deferment	3.76% fixed undergraduate; 5.31% fixed graduate; interest billed quarterly while in school, following the first disbursement	6.31% fixed; interest compounded quarterly, following first disbursement	Fixed and/or variable interest rate options available depending on lender choice
Fees	No fees	1.069% origination fee	1.073% origination fee	4.276% origination fee	Fees may or may not apply, depending on lender choice
Repayment Grace Period	9 months	6 months	6 months	No grace period; Repayment begins 60 days following last disbursement; option to defer repayment while in school and up to 6 months after graduation	6-9 months, varies by lender choice
Loan Repayment	10-year standard; other repayment options available upon request*	10-year standard; other repayment options available upon request**	10-year standard; other repayment options available upon request**	Repayment begins 60 days following last disbursement	15-25 year standard options (varies by lender choice); other repayment options may be available

**NOTE: Interest rates and fees for federal student loans are determined by federal law. The above rates are effective July 1, 2016 - July 1, 2017. Federal Direct Loan interest and fees are recalculated annually, but are fixed for the life of the loan.**

\* For more information on Perkins Loan repayment options, contact Western Washington University's Student Business Office at (360) 650-2865.

\*\* For more information on repayment options and Federal Direct Loans in general, visit [www.studentaid.ed.gov](http://www.studentaid.ed.gov)