

A Student's Introduction to Paying for College 2009-2010



Focus on Financial Aid

How Do I Pay for College?

If you think you can't afford to go to college, think again. Financial aid has helped millions of students pay for their education beyond high school. Many students are surprised to find that they qualify for some assistance.



How do I apply for financial aid?

It's not difficult to apply. By submitting one application form, you can determine your eligibility for a range of financial assistance at many colleges, universities and career schools.

To apply for financial aid, you must complete the Free Application for Federal Student Aid (FAFSA). The form is available in early winter online at www.fafsa.ed.gov and is a universal form used to apply for a Minnesota State Grant, a Federal Pell Grant, a Stafford Loan and other financial aid available at individual colleges. The form requires you to submit information about your family's income, assets and your status as a resident. Your completed FAFSA will be made available to all the colleges you designate.

The financial aid offices at the colleges that interest you are a good source of information about how to pay for college. Most financial aid money, regardless of the source, is made available to you through the college you plan to attend. Applying for financial aid does not cost anything. By applying, you do not commit yourself to attend any school.

Visit www.getreadyforcollege.org to learn about your financial aid options.

Four Basic Steps to Applying for Financial Aid

1. Apply for admission to one or more colleges.
2. Apply for financial aid at www.fafsa.ed.gov using the Free Application for Federal Student Aid after January 1.
3. Apply for scholarships offered by the colleges. Ask for applications.
4. Receive college admittance letter (timing varies).
5. Receive letter from colleges outlining your financial aid eligibility (usually April 1 or later, depending on when you submitted your FAFSA).

What types of financial aid are available?

Financial aid comes in several forms:

1. Need-based grants from federal and state governments that you do not have to repay;
2. Loans from federal and state government or private banks that must be repaid with interest after you are no longer enrolled in college;
3. Work-study jobs, either on or off campus, that enable you to earn money to help pay the cost of attending college;
4. Tuition reciprocity provides reduced tuition for Minnesota students attending public colleges and universities in North Dakota, South Dakota, Wisconsin, Manitoba and one college in Iowa;



5. Other assistance including scholarships and educational benefits for students with special circumstances and abilities. Examples include child care assistance; military benefits; merit aid for good grades and academic achievement; or scholarships based on race, ethnicity or a special talent or life circumstance.

Contact each college you are considering to find out about special assistance and scholarships.

Where can I get additional information?

The Minnesota Office of Higher Education offers a variety of resources online at www.getreadyforcollege.org. Here you will find:

- A detailed 60-page booklet on paying for college;
- A personal financial aid estimator for students and parents who want to gain general information about the types of aid for which they may qualify;
- Tuition reciprocity applications, information about the Minnesota College Savings Plan and the SELF Loan program;
- Information on Minnesota colleges, universities and career schools including their contact information, programs offered, tuition and fees, Web sites and FAFSA numbers;
- Information on education tax credits and benefits.



How much does college cost?

The cost of attendance varies from college to college. The financial aid package you receive will also vary depending upon the cost of attendance at the institution you choose. In addition to tuition and fees, there are often costs for room and board, books and other expenses. These costs are all taken into account when the college determines your financial aid award.

Average annual tuition and fees for resident undergraduates attending Minnesota schools

Community and technical colleges:	\$4,684
State universities:	\$6,564
University of Minnesota:	\$11,550
Private career schools:	\$12,845
Private colleges and universities:	\$29,220

Note: Averages are from 2009-2010. The most current tuition and fee information for each institution is available at www.getreadyforcollege.org.

Are there tax benefits for going to college?

Yes. Federal tax benefits can help offset the cost of attending college. Benefits include:

- **American Opportunity Tax Credit:** For tax years 2009 and 2010, you may be able to claim a tax credit on your federal tax return of up to \$2,500 for each eligible student.
- **Lifetime Learning Tax Credit:** You may be able to claim a tax credit of up to \$2,000 for qualified tuition and related expenses per family.
- **Student Loan Deduction:** You may be able to deduct interest on student loans for yourself, your spouse or other dependents. The maximum deduction cannot exceed \$2,500.





- **Employer-paid Tuition Assistance:** Some employers offer tuition and fee reimbursement. As a student, you may receive up to \$5,250 of education benefits tax free from your employer each year. Generally, you must pay tax on any amount of education benefit received from your employer that exceeds \$5,250 for the year.

For additional information on federal tax benefits, consult the Internal Revenue Service Web site at www.irs.gov and see publication #970 or call (800) 829-1040.

Visit www.getreadyforcollege.org to learn more about paying for college.

About the Minnesota Office of Higher Education

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to postsecondary education. The agency serves as the state's clearinghouse for data, research and analysis on postsecondary enrollment, financial aid, finance and trends.

Financial Aid Programs

Program	Apply to	Amount
Grants		
Minnesota State Grant	Complete FAFSA within 30 days of start of term	\$100 to \$4,000 range, average award is \$1,800
Federal Pell Grant	Complete FAFSA	\$400 to \$4,731 per year
Federal Academic Competitiveness Grant	Complete FAFSA; inquire at the college financial aid office	\$750 first-year undergraduate \$1,300 second-year undergraduate
Federal SMART Grant	Complete FAFSA; inquire at the college financial aid office	Up to \$4,000 per year for 3rd- and 4th-year undergraduates
Federal Supplemental Grant	Institution	Up to \$4,000 per year
Minnesota Achieve Scholarship	Institution	Up to \$1,200, one-time for 2008 high school graduates Up to \$4,000 per year for high school graduates in 2009 and later
Minnesota Postsecondary Child Care Grant	Institution	Up to \$2,600 per child per academic year
Work Study		
Minnesota Work Study	Institution	Determined by the institution
Federal Work Study	Institution	Determined by the institution
Loan Programs		
Federal Perkins Loan	Institution	Up to \$4,000 per year for undergraduates or \$6,000 per year for graduate students

Type of Award**Eligible Students**

<p>Based on financial need and price of attendance</p>	<p>Minnesota residents enrolled for at least three credits in undergraduate study at eligible Minnesota institutions. Must be a high school graduate or equivalent or be 17 years of age or older, have completed less than four years of college, be a U.S. citizen or eligible non-citizen and not be in default on student loans or child support payments.</p>
<p>Based on financial need</p>	<p>Undergraduates. Must be U.S. citizen or eligible non-citizen, not in default on a federal loan and have no drug conviction while receiving federal aid. Males must be registered for Selective Service.</p>
<p>Based on student's completion of a rigorous high school curriculum and have a 3.0 cumulative GPA in college</p>	<p>First- and second-year full-time undergraduates. Must be Pell eligible, U.S. citizen or eligible non-citizen, not in default on federal loans and have no drug conviction while receiving federal aid. Males must be registered for Selective Service.</p>
<p>Student must be enrolled in a major in the physical; life or computer sciences; mathematics; technology; engineering or in a foreign language critical to national security.</p>	<p>Third- and fourth-year students must be at least half time undergraduates admitted to designated programs. Must be Pell eligible, U.S. citizen or eligible non-citizen, maintain a 3.0 GPA, not in default on federal loans and have no drug conviction while receiving federal aid. Males must be registered for Selective Service.</p>
<p>Based on financial need</p>	<p>Undergraduates enrolled at least half time. Males must be registered for Selective Service. Priority given to Pell Grant recipients.</p>
<p>Based on completion of a series of high school courses and financial need</p>	<p>Students who graduate from a Minnesota high school in 2008 or later and complete one of a series of college preparation programs described at www.getreadyforcollege.org/achieve. Must be attending a Minnesota institution and be U.S. citizen or eligible non-citizen.</p>
<p>Based on financial need, family size, number of children</p>	<p>Minnesota residents with children 12 years old or younger, or 14 or younger with disability. Student must be enrolled for at least six credits in an undergraduate program and not a recipient of benefits from the Minnesota Family Investment Plan.</p>
<p>Part-time job based on financial need</p>	<p>Minnesota resident enrolled for at least six credits per term. Includes undergraduates, graduates and vocational students. Must be U.S. citizen or eligible non-citizen.</p>
<p>Part-time job based on financial need; more restrictive than state program</p>	<p>Undergraduate, graduate and vocational students. Must be U.S. citizen or eligible non-citizen. Males must be registered for Selective Service.</p>
<p>Long-term low interest loan based on financial need. Must be repaid</p>	<p>Undergraduate and graduate students, must be U.S. citizen or eligible non-citizen, registered for Selective Service and cannot be in default or owe a refund on any Title IV Higher Education Act loan or grant received.</p>

Financial Aid Programs

continued

Program	Apply to	Amount
Loan Programs <small>continued</small>		
Federal Stafford Student Loan	Private lenders (A few schools make loans directly to students)	Up to \$5,500 per year for first-year students, \$6,500 per year for second year and \$7,500 per year for students in at least third-year status. Loan limits are higher for graduate, professional and independent students.
PLUS Loan	Private lenders (A few schools make loans directly to students)	Up to annual price of attendance less other aid received for each dependent child
SELF Loan	Minnesota Office of Higher Education	Up to \$7,500 per year

Out-of-State Tuition Reduction Programs and Reciprocity

Minnesota residents attending in Wisconsin	Minnesota Office of Higher Education or the Wisconsin technical college you wish to attend (application at www.getreadyforcollege.org)	
Minnesota residents attending in South Dakota	School of attendance in South Dakota	
Minnesota residents attending in North Dakota	Minnesota Office of Higher Education (application at www.getreadyforcollege.org)	
Minnesota students attending in Manitoba	School of attendance in Manitoba	
Minnesota students attending in Indiana, Kansas, Michigan, Missouri and Nebraska	School of attendance when application is submitted	Student pays up to 150 percent of resident tuition at participating public institutions and receives a 10 percent discount off tuition at some private schools.

Type of Award**Eligible Students**

Subsidized loans that must be repaid; based on financial need; government pays interest while student is in school

Unsubsidized Stafford loan available for students without financial need; borrowers pay interest while in school

Any student enrolled at least half time in an eligible school in Minnesota or another state, undergraduate, graduate, professional and vocational students. Must be U.S. citizen or eligible non-citizen, registered for Selective Service, cannot be in default or owe a refund on any Title IV Higher Education Act loan or grant.

Long-term loans, must be repaid, fixed interest

Graduate students or parents of dependent, undergraduate students. Must be U.S. Citizen or eligible non-citizen, registered for Selective Service. Must not be in default or owe a refund on any Title IV Higher Education Act loan or grant.

Long-term loans, must be repaid, variable interest. Interest paid quarterly by student while in school

Undergraduate, graduate and vocational students enrolled at least half time in an eligible school in Minnesota, or Minnesota residents enrolled in an eligible out-of-state school or in the Canadian province of Manitoba. Co-signer must be U.S. citizen or permanent resident and be credit-worthy.

Minnesota students attending a public institution in Wisconsin pay the higher of the resident tuition rate charged by the school attended or the tuition at a comparable public institution in Minnesota. Technical college students pay the resident rate.

Students pay the higher of the resident tuition and fee rate at either the institution attended, or the average charged rate at comparable home-state institutions.

Nearly all public college students. Exceptions are students in the college of Medicine, Veterinary Medicine and Dentistry at the University of Wisconsin-Madison or Milwaukee.

Nearly all Minnesota residents attending public institutions in South Dakota.

Students pay the higher of resident tuition rates either at the institution attended, or the average rate at comparable home-state institutions.


Nearly all Minnesota residents attending public institutions in North Dakota. Professional programs in law, pharmacy and medicine are excluded.

Non-resident tuition waiver at participating Manitoba institutions.

Minnesota residents attending the University of Manitoba, University of Winnipeg, Brandon University, Red River Community College, Assinboine Community College or College Universitaire de Saint-Boniface.

Non-resident tuition waiver at a limited number of institutions and programs. Visit www.mhec.org to learn more about the Midwest Student Exchange Program.

Minnesota residents enrolling in participating institutions and programs in Indiana, Kansas, Michigan, Missouri and Nebraska. (Limited programs, ask in advance.)



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