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## Careful reading of your financial aid award letters will pay off

By Elizabeth LaScala



Elizabeth LaScala, PhD personally guides each student through each step of selecting and applying to well-matched schools for undergraduate and graduate school study. Over the past two decades, Elizabeth has placed hundreds of students in some of the most prestigious colleges and universities in the U.S. The number of clients taken is limited to ensure each applicant has personalized attention. Contact Elizabeth early in the process to make a difference in your outcomes. Write [elizabeth@doingcollege.com](mailto:elizabeth@doingcollege.com); Visit [www.doingcollege.com](http://www.doingcollege.com); or Call: 925.385.0562.

is deferred until after the student graduates from college and some amount of time passes (usually six months). Your family must pay the interest on the unsubsidized portion of the loan while your child is in school. Check this link for more information <https://studentaid.gov/>

understand-aid/

types/loans#types

The Work-Study Award. This is the maximum amount that the school allows your student to earn through a federally funded work-study job. A student might be able to earn more someplace else, but the Work-Study job might be better related to their career interests. After the first quarter or semester, your child can better assess what time of work best suits her financial needs and interests.

Parent PLUS Loans. Some award letters may present the option to take out a Parent PLUS Loan to cover up to the total balance of your college costs. These loans carry a higher interest rate than federal student loans. Your family must begin to repay principal and interest while your child is in school. Your family, not the student, must repay the debt.

If your award letters are not organized this way, reorganize them so that you can easily compare awards between schools. It's quite possible that the most generous school may not be your least cost option. And you will want to be fully informed before making the final decision!

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College acceptance letters are often followed by more good news: financial aid award letters.

Ideally, your financial aid award letter should be organized so that you know:

The estimated total cost of attendance for the school. This covers tuition, fees, room and board and estimated charges for books and other incidentals (examples: clothes, entertainment, computer, software, health insurance and transportation). Carefully review the college's estimated costs for incidentals. Compare their estimates with the amount that you are spending on these items while your child is in high school. Be sure to keep in mind that transportation is highly variable because it is location and time of travel dependent. Generally, books and supplies for classes will likely add over \$1,000 to your total cost of attendance.

The grants and/or scholarships that your child received. This is the portion of the financial aid award you will not need to repay. These awards might be need-based, others merit-based. Make sure that you know the GPA requirement to renew your child's merit-based aid; the higher the GPA expected, the harder it will be to keep the money.

The difference between the total cost of attendance and grants/scholarships. These are the costs that your family must cover through loans or your own financial resources.

The next part of the letter should list options that you may accept or refuse to help cover your costs.

The amount for the federal direct student loan where the interest is subsidized and the amount where the interest is unsubsidized. The subsidized portion of the loan may be as high as \$3,500. The interest on the loan

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