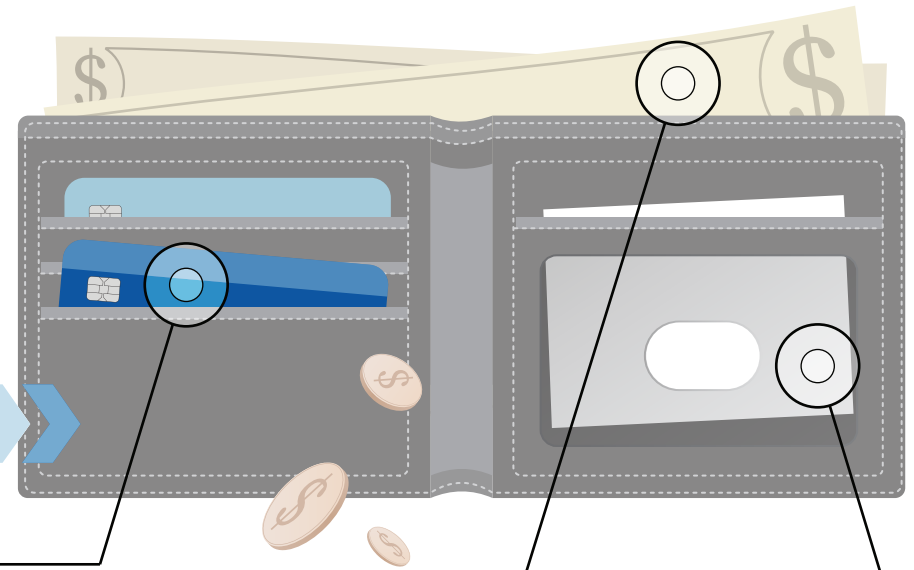


BEFORE YOU BORROW

Review These Tips to Ensure You Don't Pay More Than Needed



Keeping College & Loan Costs Low

- 1 APPLY FOR FEDERAL AID FIRST**
Complete the Free Application for Federal Student Aid (FAFSA). Some student aid is first-come, first-served, so file early.
- 2 APPLY FOR SCHOLARSHIPS**
Research local scholarships early and work on earning them.
- 3 GRADUATE ON TIME**
Take enough classes to graduate on time. Usually, that means an average of fifteen credits per semester. A mix of easy and difficult classes each semester will keep your course load manageable.
- 4 UNDERSTAND INTEREST CAPITALIZATION**
Interest starts to accrue (grow) from the day your loan is disbursed (sent to you or your school). At certain points in time — when your separation or grace period ends, or at the end of forbearance or deferment — your unpaid interest may capitalize. That means it is added to your loan's current principal. From that point, your interest will now be calculated on this new amount.
- 5 PAY INTEREST WHILE IN SCHOOL**
Making payments even while in a non-payment status can save you a lot of money over the term of your loan. Paying the interest even when no payment is due will reduce interest capitalization, keeping your loan balances from increasing.

Borrowing the Right Amount

- 1 DEVELOP A BUDGET** • Begin by estimating both your salary and your living expenses.
- 2 BORROW ONLY WHAT YOU NEED** • Don't take out the maximum loan amounts unless that is necessary to meet the costs of your education. Borrowing less today means less to pay back tomorrow.
- 3 RESEARCH YOUR FUTURE INCOME POTENTIAL** • Explore the average salaries for entry-level positions you may be interested in applying for once you graduate. Even if you aren't sure where you will be in four years, a basic understanding of post-graduate incomes and cost of living expenses can help ensure you will be able to meet your monthly loan payments.

Financial Literacy Resources

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|----------------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FAFSA & Student Aid | A | studentaid.gov • Federal Student Aid |
| for you. not for profit. | B | foryounotforprofit.org • for you. not for profit. |
| Consumer Financial Protection Bureau | C | consumerfinance.gov/consumer-tools/student-loans • cfpb |
| AKCIS Career Planning | D | acpe.alaska.gov/PLANNING/AKCIS • AKCIS |
| Credit Report & Score Information | E | annualcreditreport.com •  |