



Financial Aid For Beginners:

Paying For School the Smart Way

Let us take the guesswork out of paying for school and help make a plan that works for you. This guide will teach you **how to fill out your FAFSA, the difference between grants and loans, and how our enrollment team can help.**

Let's Talk FAFSA

The first step toward finding out how much funding you'll qualify for is filling out the **Free Application for Federal Student Aid (FAFSA)**. New to FAFSA? No problem—our enrollment team can help you through it. Here are a few basics to help get you started:

What: The Free Application for Federal Student Aid (FAFSA) is a **mandatory form** used to determine both your eligibility for aid and how much funding you receive.

Who: All U.S. citizens and eligible non-citizens can apply.

Why: Your FAFSA is essential for both HT and the government to determine your financial status or need—both of which are needed to determine how much aid you'll get.

When: You can apply for FAFSA year-round, and you'll need to reapply each year you plan on attending school.

How: An enrollment team member can fill it out with you, but if you're ready to do it on your own, visit **studentaid.gov** to get started. Make sure you have these handy:

- Your Social Security Number or Alien Registration Number.
 - If you're 24 or younger, you'll need your parents' SSNs, too.
- Driver's license number, if you have one.
- Tax information, like your W2.
- HT's FAFSA code: 003577.



Never filled out a FAFSA before?
Our enrollment team can give you one-on-one help:

888-421-5518



After you fill out your FAFSA,
you may qualify for several funding options.
Let's look a little closer at two of the most
common types: grants and loans.

1) Grants: A Beginner's Look

Let's dive right in: **Unlike a loan, a grant is money you don't have to pay back.** They're awarded to eligible students who have financial need. This makes them different from scholarships, which are based on factors like academic performance.

Grants: Pros & Cons

Pros	Cons
<input checked="" type="checkbox"/> You never have to repay these funds.	<input checked="" type="checkbox"/> Eligibility is determined based on financial need, which means only students with the most financial need will qualify. <input checked="" type="checkbox"/> Graduate students are not eligible for all types of grants.

Types of Grants Available to HT Students

There are all sorts of grants you can qualify for—most usually come from the federal or state government. Two of the most common grants HT students receive include:

- **Federal Pell Grants:** This is one of the country's biggest sources of federally funded grants, earned by undergraduate students with financial need.
- **Texas Equalization Grant (TEG):** Texas residents working toward their first college degree may earn the Texas Equalization Grant, which offers additional funding for tuition that doesn't ever have to be paid back.

Not sure you'll qualify? Our enrollment team can help you find options that work for you.
Call us today: 888-421-5518



89%

of 2016-17 students attending a private non-profit university (like HT) qualified for financial aid.

IES National Center for Education Statistics

2) Loans: A Beginner's Look

There are two major types of loans: federal loans provided by the government, and private loans from banks.

Subsidized Federal Loans

This type of loan is awarded by the government. Unlike unsubsidized loans (more on those later), **subsidized federal student loans are awarded based on financial need**, meaning only eligible associate and bachelor's students who need the most financial help will qualify. Whether you qualify is determined by many things, but mostly your income, the estimated cost of your degree, and how many credit hours you take in each term.

Here's the best part: Interest rates on these types of loans *do not* apply while you attend school; that means **the final amount you have to repay doesn't start growing until *after* you are no longer a student.**

Subsidized Federal Loans: Pros & Cons

Pros

- ✓ The interest rate on your loan doesn't apply until after you're no longer attending school.
- ✓ You don't have to make payments while you're enrolled.
- ✓ Payments are deferred for six months after you are no longer a student.
- ✓ Can be eligible for loan forgiveness or forbearance.
- ✓ These loans aren't credit-based—you don't have to have a good credit score to qualify.
- ✓ Interest rates are generally lower than loans from private banks.
- ✓ Depending on your degree and career after graduation, you might be eligible for Public Service Loan Forgiveness (PSLF).

Cons

- ✗ Eligibility is determined based on financial need, which means only students with the most financial need will qualify.
- ✗ Unlike a grant, a loan needs to be repaid once you are no longer a student.

Unsubsidized Federal Loans

Here's what's great about unsubsidized federal loans: **You don't have to have financial need in order to qualify.** Even better, you're not required to make payments on federal loans until six months after you're no longer in school.

The downside to these loans is that they're *unsubsidized*, which means the federal government *does not* pay the interest on your loan while you're in school. So, just like credit card debt, the amount you owe will grow if you aren't making any payments while you're in school.

Unsubsidized Federal Loans: Pros & Cons

Pros

- ✓ You don't have to make payments while you're enrolled in college.
- ✓ Payments are deferred for six months after you are no longer a student.
- ✓ Interest rates are generally lower than loans from private banks.
- ✓ Depending on your degree and career after graduation, you might be eligible for Public Service Loan Forgiveness (PSLF).
- ✓ These loans aren't credit-based—you don't have to have a good credit score to qualify.

Cons

- ✗ Interest accumulates—even while you're attending school—which means the balance will grow if you're not actively paying while you're enrolled in your program or during the deferment period.
- ✗ Unlike a grant, a loan needs to be repaid.



What is PSLF?

PSLF is a federal program that forgives the remaining balance of your direct federal loans *after* you've made a specific number of payments. To qualify for this, you must work in a public service organization like education, non-profits, health care, and others.

Not all students who apply will qualify. You can learn if you qualify after you graduate and submit the PSLF Certification Form.

Private Loans

If you've ever applied for a car loan or a credit card, the process is the same for **private loans**. Because these loans are offered by private banks, you may be declined due to your credit score or other factors.

Since private loans don't have the special terms that federal student loans have, these types of loans should be approached with caution. **We encourage you to explore all other potential financial aid sources before deciding on a private loan.**

Private Loans: Pros & Cons

Pros

- ☒ You can apply for one even if you've used all of your federal options. So, if federal funding doesn't cover all of your tuition, you can get the rest paid for through private loans.

Cons

- ☐ You might need a good credit score or a co-signer.
- ☐ You usually have to start making payments immediately, even while you're enrolled in school.
- ☐ They are generally subject to higher interest rates than their federal counterparts.
- ☐ They are not eligible for loan forgiveness or forbearance.



69%

Percentage of 2018 graduates in the U.S. who used student loans, including both private and federal, to fund their education.

U.S. Federal Reserve

How do I get started?

While grants and loans are two of the most common ways to pay for school, **there are even more options we can talk to you about**. We can help you determine if you qualify for other types of aid, including **special assistance for veterans, scholarships, or work-study programs**. You may qualify for more aid than you think—our enrollment team can help you through your FAFSA so you can find out. It only takes a few minutes to apply.

Our Enrollment Team Can Help

Financial aid doesn't have to be intimidating. We can talk you through your specific situation one-on-one so you don't have to figure it all out alone. Give us a call today so we can help you get the most funding possible:

888-421-5518