

CollegeSTEPS[®]

magazine



CHECK IT OUT

***What's your
credit IQ?***

p. 24

No. 7

STAYING ON TRACK FOR COLLEGE

Juniors and seniors can plan for each step on the road to college with these helpful checklists

PARENTS' PLANNING GUIDE

Parents, learn steps to help your student get college financing

SURVIVING ON A COLLEGE BUDGET

Learn to manage your day-to-day expenses on a limited budget



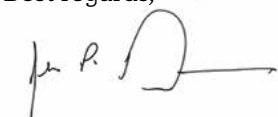
**Welcome to
CollegeSTEPS magazine!**


Your decision to continue your education is an important step toward your future. For students and parents alike, getting ready for college is an exciting — and busy — time.

As a father of three students in high school and college, I know what you’re going through. There are things to do and decisions to make, such as taking the SAT and/or ACT exams, completing applications, making campus visits, choosing what to study . . . and planning how to pay for college.

So where do you begin? This magazine provides information to help you prepare for college, one step at a time. It gives you things to think about as you make choices, plan for the college experience, and consider the financial side of things. Whether you’re a student or a parent, you’ll find conversation starters as well as resources that can help you at each step along the way. And for even more information, I encourage you to visit wellsfargo.com/collegesteps, where you can sign up for ongoing tips and tools related to college planning and financing.

Congratulations on taking a big step toward pursuing your dreams! I wish you all the best for a successful future.

Best regards,


 **John Rasmussen**
Executive Vice President
Wells Fargo Education Financial Services

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More resources from Wells Fargo

CollegeSTEPS® program
wellsfargo.com/collegesteps

Hands on Banking®
handsonbanking.org

The Student LoanDownSM blog
[blogs.wellsfargo.com/
studentloandown](https://blogs.wellsfargo.com/studentloandown)

Facebook
facebook.com/wellsfargo

It's time to get ready for college!

Take our ACT/SAT pop quiz, find your junior/senior year checklists, and learn what it takes to succeed in college.



Set yourself up for SUCCESS

When you start thinking about college, you probably also begin thinking about what major you might want to pursue.

The closer you get to your senior year, the more people start asking, *“What are you going to major in?”*

If your answer is *“I’m not sure yet,”* you’re not alone. Many students don’t decide on a major until a year or more into college. You’ve got time, but it’s definitely something to start exploring.

On the right track

Just by going to college, you’re setting yourself up for success. In fact, in 2013, students who earned a bachelor’s degree were making, on average, nearly twice as much as their peers with only a high school diploma.¹ ▶▶▶



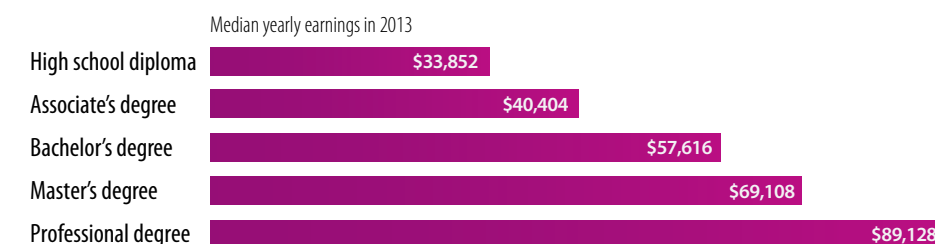
Learn more

about the value of a college education by visiting wellsfargocommunity.com/docs/DOC-1155.



Education helps increase earning potential

Potential earnings based on education level



1. Data are for persons age 25 and over. Earnings are for full-time wage and salary workers. Source: Current Population Survey, U.S. Department of Labor, U.S. Bureau of Labor Statistics Source: bls.gov/emp/ep_chart_001.htm

Value of college beyond money

While increased earning power is a benefit of a college education, the benefits may go beyond salary. College graduates have greater job security, as the unemployment rate is just 4.0% for those with a bachelor’s degree, versus a rate of 7.5% for those with only a high school diploma.¹ In addition, college graduates tend to have more job satisfaction and they see themselves on a career path, not just working at a job.²

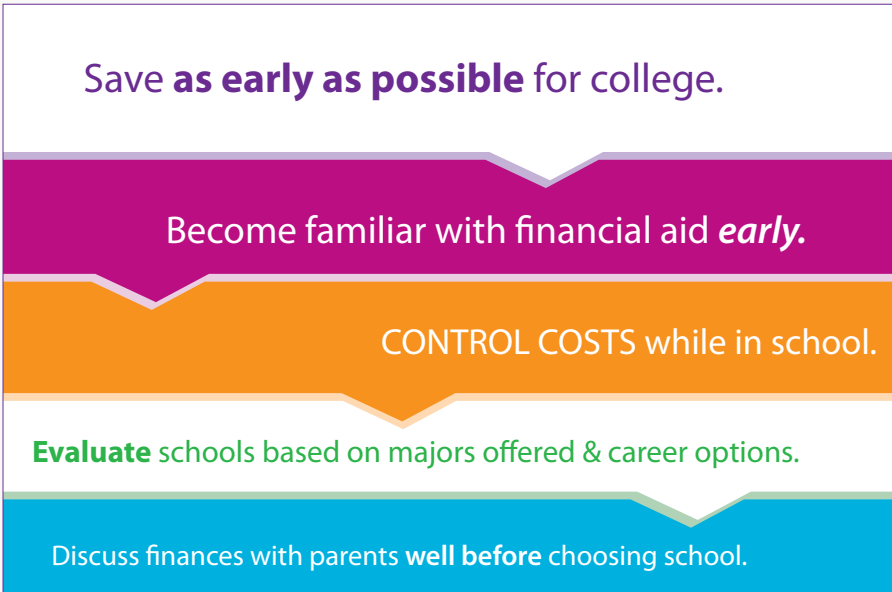
Career ideas to consider

As you think about what you’d like to major in during college, there are number of elements to consider, including the job opportunities that will be available in that field and the earning power you may have with that degree.

If you’re looking for information to help determine what career path might be a good fit for you, turn to Tuition Funding Sources. By visiting tuitionfundingsources.com, you can learn more about various career options from day to day job tasks to earning potential.

1. U.S. Bureau of Labor Statistics, bls.gov/emp/ep_chart_001.htm
2. Pew Research Center, February, 2014, “The Rising Cost of Not Going to College”, pewsocialtrends.org/2014/02/11/the-rising-cost-of-not-going-to-college
3. Cost-Conscious College Graduates: A Study of Recent College Graduates Executive Summary, fidelity.com/static/dc/cle/welcome/documents/Fidelity-College-Grad-Study.pdf

The top pieces of financial tips from recent graduates (2011 – 2013) to college-bound high school students:³



JUNIOR YEAR

Junior checklist

Junior year is all about setting yourself up for success during your senior year, when things really start to come together for college.

As a junior, here’s what to focus on:

- ☐ **Challenging coursework**
Be sure you’re taking challenging classes that will prepare you for college. Consider taking advanced placement or even college courses if you have the opportunity.
- ☐ **Scholarship possibilities**
Consider opportunities that will help position you well for scholarships. This includes not only getting good grades or performing well in extracurricular activities, but also community involvement or other demonstrations of leadership. Figure out where you can shine — it may translate into a scholarship down the road.
- ☐ **College choices**
Consider which colleges you want to attend. Spend some time narrowing down your list of potential schools, and try to end up with a list of 3 – 6 that you’d like to visit.
- ☐ **College visits**
In the spring you’ll want to start visiting the campuses you’re interested in. Try to visit when classes are still in session, if possible. Before you take a campus tour, check out the campus tour information you received when you signed up for the **CollegeSTEPS** program.
- ☐ **ACT/SAT preparation**
Look into preparatory classes you can take through your school or check out the test prep materials that are offered online (for more details, see the article on page 11 on the ACT/SAT tests). Plan to take these tests in the spring of your junior year.

SENIOR YEAR

Staying on track for college

It’s senior year! While this is a great year to create lasting memories with friends, why not also help each other out as you’re planning for college? Although each person’s journey is different, here’s a list you can follow planning toward college together:

FIRST SEMESTER
START HERE:

College admission

Meet with admissions representatives, secure any letters of recommendation, work on college application essays, and complete applications this fall.

Scholarships

Seek out and apply for as many scholarships as you can. Tuition Funding Sources provides access to over 7 million scholarships totaling over \$41 billion to help you pay for college. Find it at [tuitionfundingsources.com](https://www.tuitionfundingsources.com).

Transcripts

Have your high school send your transcript in the fall or at the end of the first term to the colleges and universities you’ve applied to, depending on the requirements of the school.



SECOND SEMESTER
START HERE:

Financial aid

Regardless of income, all families should complete the Free Application for Federal Student Aid (FAFSA) after January 1 for each academic year because most aid requires it. For more tips and details on the financial aid process visit wellsfargo.com/fivesteps.

Advanced Placement (AP) tests

If you’ve taken AP courses, be sure to register to take the exams at the end of the semester. If you score well, you may be able to earn college credit.

Orientation

Register and mark your calendar for summer orientation at the college or university you selected. If you’ll be registering for classes at orientation it’s a good idea to attend an earlier session for a better selection.

College selection

If required, mail in your tuition deposit by the deadline in order to secure your admission. Contact the school’s financial aid office to make sure your application is complete.

Wrap up

Write thank you notes to anyone who wrote you a letter of recommendation for college or a scholarship.

Celebrate graduation

Be sure to take time to celebrate your high school graduation with family and friends.

Congratulations on this milestone!



Prepare for your college experience

Create checklists of the things you may need to get started in this new phase of your life. From books and supplies to dorm room decorations, make sure you create a detailed list to help stay organized.



Get to know your school counselor

As college gets closer, you'll have more questions every day. There are a number of people you probably turn to for information: your parents, older siblings, friends, and teachers. While all these people do have some of the knowledge you'll need, there's one more person you should add to the list: your school counselor.

Why get to know your school counselor better? There are many benefits to working with your school counselor, but here are some of the top reasons for spending some time in the counselor's office:

Applications

When it comes to college applications, you're probably going to have questions. Your school counselor is a great resource to help you through the process from

choosing an essay topic to managing your deadlines.

Financial aid


Navigating the financial aid process is easier if you have a guide. With a variety of funding sources available (like Pell Grants, institutional aid, and state aid), there are many different factors to consider when determining what might be a good fit for your situation. Your school counselor can help you explore your options for financing and help answer your questions each step of the way.

Scholarships

As you look for ways to cover your college costs, scholarships should be at the top of your list, since it's money that doesn't have to be repaid. But where can you find scholarships? Your school

counselor can help with resources for seeking out scholarships that may be available from local organizations, the college you're interested in, or other sources. Your school counselor can also help as you apply for scholarships, answering any questions you may have, making suggestions for essay topic ideas, and more.

Recommendations

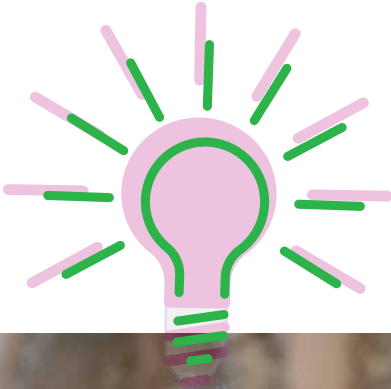
You'll find that recommendations are important on the road to college. Sometimes they're required as part of your college application and sometimes they're needed for scholarship applications. Either way, your school counselor can help you through the process of securing recommendations: who to ask, how to follow up, and more. 



Find scholarship opportunities that fit YOU

Tuition Funding Sources provides access to over 7 million scholarships totaling more than \$41 billion to help you pay for college. Create your personal profile and begin your search at tuitionfundingsources.com.

College application essays: HOW TO **STAND OUT** FROM THE CROWD



How to approach essays

Typically, a college essay is designed to let the admissions officers get to know you and how you think. College officials who read a lot of essays are likely to spot those that don't ring true. With that in mind, remember that some of the best essays are those that are authentic. Be confident in telling a story that's really about you, not what you think the admissions office wants to hear. Everyone has a unique viewpoint to share, so let yours shine through.

Working smart

If you're applying to several colleges, how can you streamline the work of creating all those essays? It's simple: don't write them all from scratch. To be more precise, don't reinvent the wheel with each essay you write. Take a look at all the applications in

As you begin your senior year, college applications should top your list of things to do. With many of those applications, at least one essay is typically required. It can seem intimidating at first — where do you begin? And how do you make yourself stand out in the sea of other applicants? Getting advice from people who've been there is a good start.


Our bloggers at the *Student LoanDown* blog have all been through the college application process, and a few of them have some helpful insights to share when it comes to essays.

Ideas from The Student LoanDown bloggers:

front of you, and list the essay topics you're required to cover for each. Notice any common themes? If so, it may work to do what one of our bloggers did when she was applying to schools:

I ended up writing three basic essays. I spent a lot of time on these three essays, and had both my mom and my English teacher review them with me. Once these three essays were as well-crafted as I could make them, I re-read the application questions, selected the appropriate essay, and made minor adjustments to customize it to that school's application. By giving myself just a few essays that I could really focus on, I found it much easier to write them well.

Meeting deadlines

If you have multiple applications and essays to complete, create a schedule for yourself to avoid getting overwhelmed. Put the due dates for each application on your calendar, and work back from there. Be sure to note what else is going on around your deadline time. Do you have important school activities or other obligations the week your application is due? Take time to figure that out now, so you plan your schedule accordingly. Next, determine your deadlines to have first drafts of your essays completed, and build in some time for re-writing. If you want anyone to review your essays (especially teachers), be sure to build in at least a week for them to take a look and give you feedback. 

Everyone is **unique** and has unique experiences and the essays are the perfect opportunity for you to share yours.

Never make the **mistake** of sending off a first draft at the last minute just to get something in.

Make a list of all the precise moments in your life that reflect a characteristic of yourself or your character.

Be **authentic** no matter the topic at hand.



Looking for more tips?
Visit blogs.wellsfargo.com/studentloandown/tips-college-applications/



Pop quiz: What do you know about the ACT/SAT?

Choose the best answer. Then turn the page to see how savvy you are about these big tests.

- 1. Who should take the ACT and SAT?**

 - A. High school juniors only
 - B. All college-bound high school students
 - C. Only students attending private colleges
 - D. High school seniors only
- 2. Which test should I take?**

 - A. Take both, to be safe
 - B. Either one is fine
 - C. Check with your prospective schools to see which tests they accept
 - D. Whichever test is most commonly offered in your area
- 3. How do I prepare?**

 - A. Take an ACT or SAT preparation class at school
 - B. Take practice tests online
 - C. Use books to help you study
 - D. All of the above
- 4. Where is the test administered?**

 - A. At your local high school
 - B. At your nearest community college
 - C. At a special testing site; you'll find out where when you register
 - D. In your school counselor's office
- 5. When should I take the test(s) for the first time?**

 - A. Only in the summer
 - B. Spring of junior year
 - C. Freshman year
 - D. After graduation
- 6. How do I register?**

 - A. Register ahead of time online
 - B. Register at test time
 - C. You don't need to register
 - D. Fill out a form from your school counselor
- 7. How much does it cost to take the test?**

 - A. Between \$35 and \$55
 - B. Between \$100 and \$150
 - C. Between \$60 and \$90
 - D. Between \$10 and \$20
- 8. How long is the ACT or SAT test?**

 - A. Between 1 and 2 hours
 - B. Between 2 and 3 hours
 - C. Between 3 and 4 hours
 - D. Between 4 and 5 hours
- 9. What can I bring to the test?**

 - A. A copy of your admission ticket
 - B. Two #2 pencils and photo I.D.
 - C. A permitted calculator
 - D. All of the above
- 10. How many times can I take the test?**

 - A. Once
 - B. Twice
 - C. It's generally advised to take the test no more than three times
 - D. Once for the ACT, twice for the SAT



Check your knowledge about the ACT and SAT test with the quiz answers below.

1. **B. College-bound high school students.** If you're a college-bound high school student, you should be taking the ACT or SAT.

2. **C. Check with your prospective schools to see which tests they accept.** Most four-year schools accept scores from either test. Check with your school counselor to help determine which one you should take, and be sure to check with any prospective schools to ensure which test they accept.

3. **D. All of the above.** Check to see if your school offers a preparation class for the SAT and ACT. There are also books to help you study and free practice tests you can take online. Additionally, there are some free apps to help you prepare such as *ACT question of the day* (Android) and ACTStudent (iOS). For SAT prep, check out *The Official SAT Questions of the Day* (iOS and Android) or *SAT Up* (iOS).

4. **C. At a special testing site; you'll find out where when you register.** During registration, you see both the date and test center. Your school counselor may also be familiar with where the testing sites are in your area.


5. **B. Spring of junior year.** Typically, students will take the ACT or SAT for the first time during spring of junior year, because it gives them time to retake it in the fall if they choose.

Find out the test dates by visiting actstudent.org or sat.collegeboard.org.

6. **A. Register ahead of time online.** Register for the ACT online at actstudent.org. Register for the SAT online at sat.collegeboard.org.
7. **A. Between \$35 and \$55.** The SAT costs \$52.50 and there are additional costs for subject tests. The ACT costs \$38 and there is an additional charge to take the writing test. For cost details, see sat.collegeboard.org/register/us-services-fees or actstudent.org/regist/actfees.html.

8. **C. Between 3 and 4 hours.** Total test time for the SAT is 3 hours and 45 minutes. The ACT is 3 hours and 25 minutes (including the 30-minute writing test).

9. **D. All of the above.** You should bring a printed copy of your admission ticket, two soft lead #2 pencils (not mechanical pencils or pens) and a soft eraser, an acceptable photo ID, and a permitted calculator. For details about what calculators are acceptable, see sat.collegeboard.org/register/calculator-policy or actstudent.org/faq/calculator.html.

10. **C. It's generally advised to take the test no more than three times.** Prepare for the test as though you're only going to take it one time, and do your very best. If you're not satisfied with your score you can take it a second time. It's typically advised that taking the test three times is the limit, to avoid raising red flags with college admissions counselors. 



Smart STUDY HABITS for your COLLEGE CLASSES

Right now you're focused on getting into college, and after getting that letter of acceptance, most seniors breathe a sigh of relief. While your college acceptance is big news and definitely something to celebrate, your journey has just begun!



College graduates see the value

While college may be a significant investment for many students, research shows that most college graduates see its benefit. In fact, 83% of people with a bachelor's degree feel they've already seen the value of their investment in college.¹

Making the most of your investment

Given that college is such an important investment, how can you make the most of it? Preparing in high school by taking advanced placement or college courses, being active in the community, or participating in extra-curricular activities can help students start college on the right track. Taking rigorous math, science, and writing courses can also help.

1. Pew Research Center, February, 2014, "The Rising Cost of Not Going to College", pewsocialtrends.org/2014/02/11/the-rising-cost-of-not-going-to-college

Apps that can help



Your mobile phone or tablet probably go everywhere with you. Put them to work to help you study and stay organized with these apps:

Evernote: with this app, you can take notes, capture photos, record voice reminders, make to-do lists, and more. Plus, everything gets synched to an online account, so that it's available wherever you go. (iOS and Android)

Studyblue: this app allows you to make your own digital flashcards or use an already-created set from its digital library. It even filters out the cards you already know. (iOS and Android)

MyHomework: keep track of your homework and class schedules. Schedule due dates and reminders. (iOS and Android)

Note: Your mobile carrier's text messaging and web access charges may apply.

Smart study habits

As many students quickly realize, college will be different from high school. Your schedule may seem very light at first — you may only be in class for a few hours each day. The catch is that your professors expect a lot of you *outside* of class. There is much more reading, studying, and homework to do than you may be used to.

Here are a few tips to keep you on track:

- **Go to class and actively participate.**


This is one of the most important things you can do in college. Nothing makes up for missing a lecture, not getting notes from a friend, or only reading your textbook. Catch the live version and make a point to always show up for class. In a large lecture hall, sit near the front if possible — you'll better hear what the professor is saying and you're less likely to be distracted. When you actively participate in class (by asking and answering questions and taking good notes), you'll gain a better understanding of the materials and build a better rapport with your professor at the same time.

- **Review your notes frequently.** Take good notes during class, and review them frequently as part of your study routine. Don't wait until the night before a test to take a look at your notes — review them as part of your reading assignment for class.

- **Do the reading.** College reading is often assigned in chapters, not pages. It may be difficult to catch up and retain the information if you don't keep up with your assigned reading.

- **Study during the day.** If you have free time between classes, use it. Stay on campus, stake out a spot in the library, and do your work. Resist

the temptation to head back to your dorm room to sleep or watch TV. There are often many distractions during evening study sessions, so try to take care of as many assignments as possible during the day.

- **Avoid all-nighters.** While it may seem like a college student's rite of passage, you don't have to pull "all-nighters" studying for tests and working on projects. Use the tips in this article to stay on top of your work and get your rest. 

Your chance to win \$1,000 from Wells Fargo

Planning for college? Already there? Maybe you could use some extra cash?



Enroll online for tips and tools from Wells Fargo and you'll automatically be entered in the **CollegeSTEPS**® sweepstakes for a chance to win \$1,000.¹ No purchase necessary.

Here's how it works

- You'll get emails to help keep you on track with savings, budgeting, and college planning
- A total of 160 \$1,000 cash prizes will be awarded (80 to high school students, 80 to college students)
- Prizes will be awarded in four separate drawings
- Sweepstakes runs from 08/14/2014 to 08/13/2015

Full rules and details can be found at: wellsfargo.com/collegesteps.

Sign up today!

1. NO PURCHASE OR PAYMENT OF ANY KIND IS NECESSARY TO ENTER OR WIN THIS SWEEPSTAKES. A PURCHASE WILL NOT INCREASE YOUR CHANCES OF WINNING. Sweepstakes runs on wellsfargo.com/collegesteps ("Website") from 12:00 a.m. Central Time ("CT") on 08/14/2014 to 11:59 p.m. CT on 08/13/2015 ("Promo Period"). Open to full- or part-time students who are in an accredited secondary or post-secondary educational institution or program (including, but not limited to, high school, college, university, or trade school, or are home schooled in an accredited program) and are legal residents of the 50 United States or the District of Columbia born on or before 12/31/2000. All eligible students who enrolled in Wells Fargo's **CollegeSTEPS**® program between 08/06/2010 and 08/13/2014 will be automatically entered in the 2014/2015 sweepstakes without having to re-enroll. A total of (160) \$1,000 prizes will be awarded — (80) to high school students and (80) to college students during the Promo Period — 40 prizes per each of four drawings. Odds to win depend upon the total number of **CollegeSTEPS** program enrollments received at the time of each drawing. Sweepstakes subject to full Official Rules. See Rules on Website for complete details. Void where prohibited by law. **SPONSOR:** Wells Fargo Bank, N.A., MAC N9719-018, 301 E 58th Street N, 1st Floor, Sioux Falls, SD 57104-0422

Teaming up to prepare for college

As your student prepares for college,
you may be wondering
what your role should be.

This is a great time to foster
independence by letting
your student lead the way.

*Your student is getting ready to head off to college.
So, where do you fit in?*

*In this section, learn how to work with your student to
plan for college. Plus, find a planning guide designed
just for parents.*

Your help and guidance are likely needed as your student prepares for college, so you can certainly team up with your student to work through their college-planning journey together. Think of yourself as a coach or mentor in the college-planning process: give advice, offer ideas, and check their progress, but let your student do the actual work and planning.

Ways you can lend a hand

Choosing a school

It's never too soon to talk about potential colleges and universities with your student. Here are some ideas to help start the conversation:

- Discuss college information with your student when it arrives in the mail.
- Encourage your student to begin collecting information about schools they're considering.
- Attend college fairs together.
- Make college visits with your student and help them prepare questions to ask beforehand.

College prep

The summer before college is a busy time. You can help your student map out a game plan for getting everything done. Here's a list to get you both started:

- Plan to attend college orientation with your student, and discuss who to meet with when you're there.
- Talk with your student about banking options during college and set up any accounts he or she may need.
- Discuss good money management tips and banking habits with your child.
- Have your student make a college packing list early in the summer.
- Purchase items over the summer months to help spread out the cost.

Researching financial aid

For many families, figuring out how to pay for college is probably one of your top priorities. As talk about college gets more serious, here are some tips for discussing the financial details with your student:

- Discuss choosing a school that will both meet your student’s needs and be within budget.
- Talk early and often about options to pay for college, including grants and scholarships.
- Attend a financial aid night together with your student.
- Look over the junior and senior checklists in this magazine to help your student get a handle on what tasks need to be done (pp. 5 – 7).
- Encourage planning ahead for deadlines to complete tasks like college and scholarship applications.




Pick up a guide to help you

Get started by picking up a copy of Wells Fargo’s *Planning for college* guide from your local banker. It’s a free, spiral-bound workbook designed to help keep students organized and allow them to record and store their information through each step of college planning.

A parent’s role in college financing

As a parent, you may play an important role in helping your child finance college. Whether you are helping your student understand their financing options, cosigning a private student loan, or borrowing a parent loan to help pay for your child’s college expenses, your role matters.



- **Encourage your student to apply for scholarships.** You can help out by checking to see if there are scholarships available through your employer or organizations you’re involved in. You can also visit Tuition Funding Sources and search one of the largest scholarship databases in the world at [tuitionfundingsources.com](https://www.tuitionfundingsources.com).
- **Remind your student to complete the FAFSA after January 1,** because most aid requires it. If your student is a dependent, you will both need to complete the form. You can do so by visiting fafsa.ed.gov.
- **If your student’s education expenses exceed the amount of financial aid they receive, you may be able to help cover this financial gap.** Determine your role, if any, by considering being a cosigner or taking out a loan on behalf of your student. As a cosigner you assume equal responsibility of the student loan and it becomes part of your credit profile. If you choose to take out a loan in your own name, there are both federal and private loan options available.
- **Take action to ensure that your credit is in good shape before it’s time to borrow.** If you’re cosigning a private student loan, a better credit score for you might mean a lower interest rate for your student. If you are borrowing a parent loan, a better credit score could also mean a lower interest rate for you. For more tips on how to manage your credit, visit wellsfargo.com/financial-education/credit-management. 



Parents' planning guide

As a parent, there are a few different ways you can lend a hand to your student during the college-planning process. From helping find scholarships, to reviewing award letters together, your role is important.



Here's a checklist to help you get started:

SCHOLARSHIPS

- ❑ Check whether there are scholarships available through your workplace or organizations to which you belong. You can also encourage your student to visit Tuition Funding Sources for access to 7 million scholarships totaling more than \$41 billion to help pay for college: [tuitionfundingsources.com](https://www.tuitionfundingsources.com).

COMPLETE APPLICATIONS AND SECURE REFERENCES

- ❑ Help your student create a way to organize the application and reference-gathering process.
- ❑ Suggest potential references.
- ❑ Emphasize the importance of following up with a thank-you note for each person that was a reference.

COMPLETE THE ACT OR SAT

- ❑ If your student needs to take or re-take these tests, help ensure he or she is registered and ready to go.

APPLY TO SCHOOLS

- ❑ Together, meet with the financial aid offices at any schools your student has applied to — in order to better understand their process, costs, and expectations.

APPLY FOR FINANCIAL AID

- ❑ Together, complete the FAFSA (Free Application for Federal Student Aid) as soon as possible after January 1 for each academic year your child is in school.
- ❑ Learn more about the financial aid process by reviewing *Your financial*

aid journey in 5 steps, which can be found at [wellsfargo.com/fivesteps](https://www.wellsfargo.com/fivesteps).

REVIEW AWARD LETTERS

- ❑ Along with your student, carefully review any award letters received. Help your student determine what aid to accept and may not be needed.

CELEBRATE

- ❑ Graduation day is a big achievement. Celebrate your student's accomplishment together!

Options for FINANCING

Learn the basics of federal and private student loans.

If you or your student will be borrowing money for college expenses there are two main types of student loans to consider: federal student loans and private student loans. Each type has unique characteristics with different repayment terms and conditions, and understanding those differences can help you decide which loan program meets your family's needs.

What are the options?

Financing options
Federal Perkins Loans are for undergraduate and graduate students with exceptional financial need.
Federal Direct Stafford Loans (subsidized and unsubsidized) are available to undergraduate and graduate students attending college at least half-time.
Federal Direct PLUS Loans are credit-based loans offered by the federal government. These loans are available to graduate or professional degree students and parents of dependent undergraduate students.
Private or alternative loans are credit-based loans which may be available for graduates, undergraduates, professional degrees, or qualified certificate or licensure programs. There may also be financing options for parents, relatives, or friends of students borrowing for the benefit of the student. These loans are provided by banks or other lenders.

What is the cost?

The cost of a federal or private student loan is linked to the interest rate, fees, and the loan term, so all of these factors should be carefully considered when reviewing loan options.

The **interest rates** for federal student loans are set by Congress. All new federal student loans have a fixed interest rate. Find current federal interest rates at studentaid.ed.gov/types/loans/interest-rates. The interest rates for private student loans vary and are based on criteria determined by the lender. The most common criteria are creditworthiness and income. Depending on the lender,




borrowers may be able to choose whether to have a fixed or variable interest rate on their private student loans. Variable rates may change over the life of the loan, while fixed interest rates remain the same.

Fees are costs you have to pay to originate or service your loan. These are charges you pay in addition to interest. If you borrow a federal or a private student loan, keep in mind the provider may deduct the fees directly from the original loan amount — so the amount you receive in your disbursement may appear to be less than the amount you actually borrowed. However, you are still required to repay the full amount you borrowed and not just the amount you received in your disbursement.

Term is the length of time you have to repay your loan. Before you take out a loan, find out how long you have to pay it back and whether or not there are any prepayment penalties.

How does repayment work?

Repayment is an equally important factor when considering a student loan and should be carefully researched. Consider the grace period for each loan option so you or your student won't be surprised when repayment begins. When examining the repayment of a student loan, many people only look at the estimated payment schedule based on the first year of borrowing. To get a more realistic idea of the total monthly

payments, consider the total amount of student loans borrowed for your student to complete a degree. 



Financial aid, simplified

When you need a simple, straightforward guide to help you navigate the financial aid process, check out *Your financial aid journey in 5 steps*. Find it at wellsfargo.com/fivesteps.



Credit is an important part of your life during and after college.

Start by taking our quiz to find out how savvy you are about credit, then read on to learn more.

What's your credit

IQ?

- 1) What is credit?
A. Borrowing money that you agree to pay back over time
B. Money you borrow that accrues interest
C. Borrowing money through means such as credit cards, student loans, and car loans
D. All of the above
- 2) How do you start building credit?
A. Pay your credit accounts on time
B. Using your parents' credit card
C. Using a debit card
D. Opening a savings account
- 3) What is a credit report?
A. The monthly statement you get from your credit card company
B. A report that lists the details of your credit history, including any credit card account or loans you may have, the balances, and your payments
C. A report you give to your finance professor
D. A statement you send to your credit card company to verify your transactions
- 4) What is a credit score?
A. A numeric summary of your credit history
B. The number of times you use your credit card
C. The highest loan amount you owe
D. The lowest loan amount you owe
- 5) A higher credit score means you may:
A. Get lower interest rates from lenders
B. Pay less interest when you borrow
C. Enjoy higher credit limits for more purchasing power
D. All of the above

- 6) Your credit score is based on what factors?¹
A. New credit and the types of credit you use
B. New credit, payment history, and current loan and credit card debt
C. Types of credit you use, payment history, length of credit history, and current loan and credit card debt
D. Types of credit you use, new credit, length of credit history, payment history, and current loan and credit card debt
- 7) Truths about “interest” include:
A. It's the cost you pay to borrow money
B. It may be added to the amount you borrow
C. You may be able to avoid paying interest on your credit card by paying off the full balance every month
D. All of the above are true
- 8) The average total debt of 2013 college graduates was:²
A. \$10,500 C. \$35,200
B. \$20,800 D. \$75,100
- 9) To be manageable, your monthly student loan payment should be no more than:
A. 5 – 8% of your monthly income after college
B. 10 – 15% of your monthly income after college
C. 25 – 30% of your monthly income after college
D. 40 – 50% of your monthly income after college
- 10) As a student-borrower, you will generally have to start repaying most of your student loans:
A. Immediately, when you borrow the money
B. Immediately after you graduate
C. Depending on the provider, about 6 months after you graduate or leave school
D. When you find a job that pays enough

1. Source: www.myfico.com/CreditEducation/WhatsInYourScore.aspx
2. Source: fidelity.com/static/dcde/welcome/documents/Fidelity-College-Grad-Study.pdf

How did you do?

See the answers below. Give yourself one point for each correct answer.

1) D. 2) A. 3) B. 4) A. 5) D. 6) D. 7) D. 8) C. 9) B. 10) C.

Now, add up your points.
If you score:

8 – 10 points
Congratulations, you're smart about credit!
Read on to learn even more.

5 – 7 points
You've got some of the basics down,
but keep reading to brush up on your
credit knowledge.

Less than 5 points
Don't worry, now's a great time to start
gaining more knowledge about credit —
read on to start understanding credit today!



Getting **D O W N** to credit basics

Important information borrowers and cosigners should know



What is credit?

Credit comes in different forms, but all are accounts or products that let you borrow money, such as credit cards, student loans, car loans, etc.

In addition to paying back the amount you borrow, you pay a cost to borrow which is called “interest” or “finance charges.” Credit products have different interest rates, and the higher the rate, the more interest you will have to pay.

What is a credit report?

Your credit report lists the details of your credit history, including any credit card accounts or loans you may have, the balances, and your payments. It also shows if any action has been taken against you because of unpaid bills. There are three national credit reporting agencies that produce your credit report: Equifax, Experian, and TransUnion.

**How do you
GET CREDIT?**

You can **ESTABLISH CREDIT** by understanding credit and using it responsibly. Get on the path of building credit by managing your credit accounts — like credit cards, loans, or other borrowing options — responsibly and making your payments on time. It is on-time payments, among other things, that are captured and recorded by the credit bureaus (who create credit reports and credit scores). Making payments on time helps establish you as a low credit risk and may improve your chances of getting credit in the future.

A college credit card with a manageable credit limit **USED RESPONSIBLY** may help establish a good credit history while in college. For example, Wells Fargo offers the *Wells Fargo Cash BackSM* College Card, a credit card designed to meet the needs of students. Credit qualification required.

Unlike a debit card or prepaid card, when you responsibly use a credit card in your name to buy the things you need, you **ESTABLISH** a credit history.


What is a credit score?

Your credit score is a numeric summary of your credit history. A higher score indicates a positive history and a lower credit risk.

Equifax, Experian, and TransUnion issue scores based on information they gather on your financial habits — including things like new credit, how much debt you have, how long you’ve been a borrower, what types of loans you hold, how often you’ve applied for credit, and your payment history, among other things.

Why is a high credit score important?

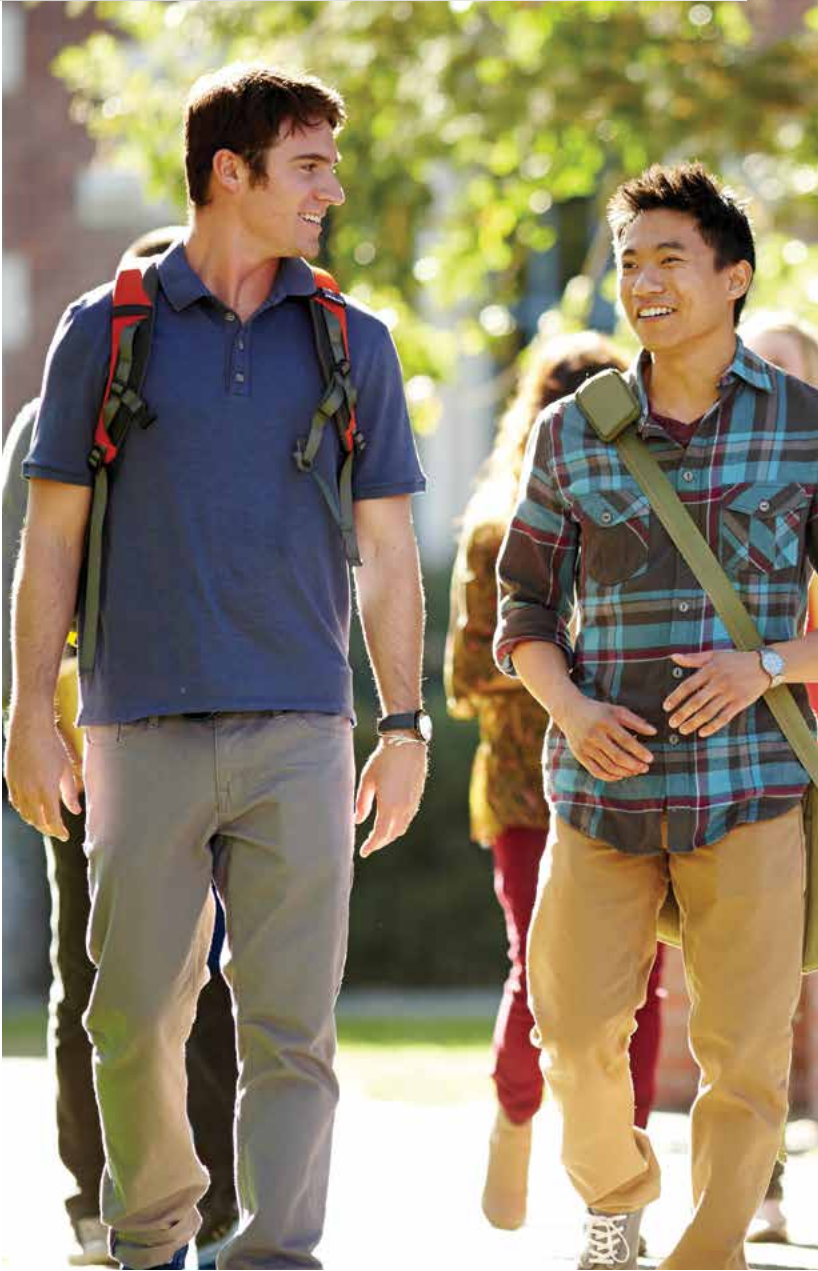
With a higher credit score, you may have access to more financial options, because lenders typically give their lowest interest rates and highest credit limits to their lowest-risk customers. So the higher your credit score, the less interest you may have to pay.

Your credit history and score may also be a deciding factor when you rent an apartment, get a car loan, or — eventually — buy a house. 



Want to learn more about credit?

Visit wellsfargo.com/pathtocredit for videos and information to get you on the path to understanding credit and the benefits it may provide.



SURVIVING

on a college budget

It’s no secret that many college students need to live on a lean budget. And chances are you’re about to become one of them.



How will you manage your day-to-day expenses on a limited budget? It starts with getting in the right mindset about money. Here are some tips that may help:

Get the tools in place to manage your money. Start off on the right foot with the tools you need to help you succeed:

- Open a checking and savings account with a debit card.
- Sign up for online banking so you can carefully monitor your accounts, transfer funds if needed, and use any budgeting tools or money management tools available to you.

Knowledge is power. Now that you’ve got the tools in place to manage your money, it’s time to evaluate your finances. **If you need a student loan, read your paperwork carefully to understand:**

- How much you’re borrowing.
- What your interest rate is.
- What your approximate payments will be when you’re out of school.

If you have a credit card:

- Be certain you understand the terms of its use.
- Know what your interest rate is.
- Know when your payments are due and make sure to make at least the minimum payment listed (or the

full balance if you’re able to) on the statement on time each month.

The more you know about your financial life, the better you may be prepared for any unwanted surprises.

Control your money. Next, it’s time to make your spending plan. Think of it this way — if you carefully plan where your money is going, then you’re in control. If you don’t plan ahead, you may find it challenging to save. **Take control** by making a plan for how you’ll spend your hard-earned money.

Know your priorities. Making a spending plan is one thing — sticking to it is another. When you are clear on

your spending priorities, you can keep yourself from agreeing with every one of your friends’ impromptu nights out. Know what’s important to you, and how changes will impact your goals.


If you want to pay your bills, eat pizza on Sunday nights, and go to a concert next week, you may have to make a choice when unexpected occasions to spend money arise. And they always will. Knowing your priorities about money can help you say “no” when necessary or suggest cheaper alternatives.

Be selective about spending. When you do spend money, be selective about it and research ways to save on your purchases.

- **Eating out?** Look for online deals through websites like Groupon or LivingSocial.
- **Ask about student discounts.** Some places offer a better deal when you show your student I.D.
- **Going to the movies?** Save money by going to a cheaper mid-week

show, visiting discount movie theaters, or by going to a matinee.

- **Grocery shopping?** Clip coupons or buy store brand items when possible.
- **Plan your meals in advance** and buy only what you need for the week.

As a college student, taking control of your money can really be empowering. You may not have much income at the moment, but managing your spending now may help set you up with good habits for a lifetime of financial success. 



Successful student loan repayment

Heading off to college is an exciting time. There is so much to think about: new friends, exciting classes, and a new place to live. If you're borrowing money for college, it's tempting to put aside the thoughts of repaying your student loans one day.

But the thought of repaying your student loans doesn't have to be intimidating. Thousands of people successfully pay back their student loans each year. And planning for it is something that you can start today, instead of waiting until you leave school.

Build repayment into your college plan

Set yourself up for successful student loan repayment by doing the math for repayment today. The first step is to figure out how much money you may need to borrow to cover your education expenses. Of course, you need to look at your school and living costs during college, as well as your other sources of money to cover these costs. But you should also consider how much you are



likely to earn when you get your first job after college. The Bureau of Labor and Statistics provides data for the average salary for various careers. You can use this as a guide to help determine your earning potential. Find it at bls.gov/oes/current/oes_nat.htm.

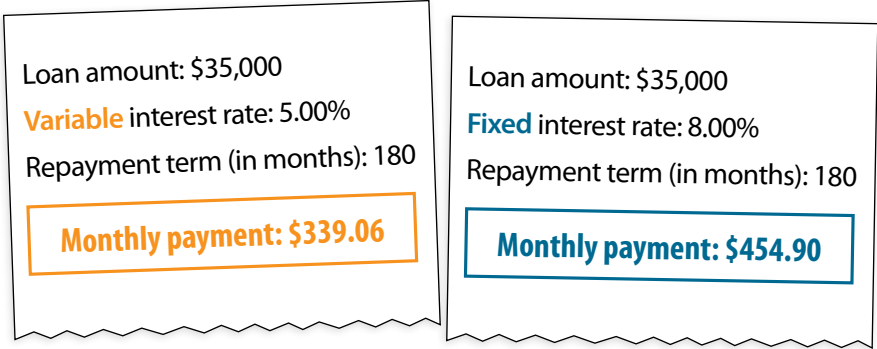
After you have estimated how much you may make in your chosen career field, you can use our online calculator to make sure your borrowing is in line with your earning potential: wellsfargo.com/student/calculators/debt.

Staying in the know

The next step is to know what your monthly payment will be when repayment starts, so that you can make sure your earnings will cover the loan payment plus all your other expenses.

The average debt for college students graduating in 2013 was approximately \$35,000.¹ Let's take a look at what the average monthly payment for those college students who just graduated will look like.

Below, the repayment slip on the left shows the monthly payment for a variable interest rate loan with a low rate. The slip on the right shows the payment on a fixed interest rate loan with a higher rate.




Monthly payment assumes a four year in-school deferment with a six month grace period before entering repayment. This example is for illustrative purposes only. Loan terms and pricing may vary by lender.

What will your monthly payments look like?

Use this tool to calculate the monthly payment for a different loan amount, interest rate, and repayment term: wellsfargo.com/student/calculators/alternative. Compare that monthly payment to the average salary for the field of study you plan to pursue. Then think about how that monthly payment will fit in with your future budget.

A general guideline for payments

A general guideline to keep in mind is that your monthly student loan payment should equal no more than 10% – 15% of the net monthly income you plan to earn after graduating. Repayment may seem far away today, but know that keeping your student loans at a manageable level will help you get a solid start in your financial life after college. 

Did you know?

Class of 2013 college graduates average \$35,200 in total debt, according to a report released by **Fidelity.com**.¹ This includes student loan debt, credit card debt, and money owed to families.



Remember, making regular, on-time payments toward your student loans will help you build credit.

1. Source: fidelity.com/static/dcle/welcome/documents/Fidelity-College-Grad-Study.pdf

We can help you understand your finances



Wells Fargo has the products, services, and tools to help you with a successful financial future:

- **Wells Fargo Mobile® Banking**
Take control of your finances on the go
- **Private student loans**
No matter what you're studying, we've got options to help cover your costs
- **Wells Fargo Cash BackSM College Card**
Establish a credit history while in school by responsibly using a credit card¹
- **Wells Fargo Insurance**
Protect what's important to you with auto and renters' insurance, and more

Click wellsfargo.com or visit a Wells Fargo location today.

Insurance is:

- Not insured by the FDIC or any federal government agency.
- Not a deposit of or guaranteed by any bank.

1. Credit card subject to credit qualification.



Pick up your *Planning for college* guide today

Stay focused and organized when it comes to college planning using our *Planning for college* guide.

It's a must-have piece on your journey to college.

In it, you'll find space to keep track of the information that's important to you each step of the way, like:

- Scholarship deadlines
- A list of your student loans
- College orientation information
- Your college packing list

wellsfargo.com/student

1-800-658-3567

Where to get your guide
Visit your local Wells Fargo bank location to pick up your *Planning for college* guide today.



Success looks good on you

Congratulations to all graduating seniors, and best wishes for the future. You did it!

Wells Fargo is proud to honor all graduating seniors for a job well done.